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ESTABLISHED 1887

Front **Calls for** Algerian Uprising

Islamic Militants Say New Leaders 'Usurped Power'

By Youssef M. Ibrahim

New York Times Service ALGIERS - The Islamic Salvation Front broke nearly two days of tion Front broke nearly two days of silence on Monday night to call upon Algerians to rise up against the military and civilian leaders who canceled elections that were sure to give the party a majority in parliame

The Front said in a statement, "We call upon veteran fighters, in-tellectuals, religious leaders, senior army officers and soldiers, sons of martyrs, social organizations, and

France, pointedly, did not con-demn the cancellation of the Algerian elections. Page 4.

all those who love Algeria to take a stand against this oppressive clique of foreign agents which has usurped power

The Front said that the new lead-The Front said that the new lead-ers of Algeria, who replaced Presi-dent Chedli Bendjedid on Saturday after he resigned, had "betrayed God and the people." It said the army-inspired remov-al of the president "opens a chapter in a whole commission" is chapter

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in a whole conspiracy" to circum-vent the advent of an Islamic republic

The statement, signed by the consultative council, or Majlis Ashoura, which acts as a collective leadership of the party, came amid reports from some Algerian officials that the top leadership of the

Front had gone into hiding. These reports could not be officially confirmed, but it was clear on Sunday and Monday during visits to the Front's headquarters here. that senior officials were absent and that some of the equipment and file cabinets in the apartment used by the group as offices had been remove

The Front described the High' Security Council, which took pow-er on Saturday night, as "an illegiti-mate clique" in the face of which "not a single Algerian individual can remain neutral."

The six-man Council is made up. of Prime Minister Sid Ahmed Gho-

Miyazawa Shaken **By Aide's Arrest Diet Member Is Charged** With Accepting Bribes

By T. R. Reid Washington Past Service TOKYO — Prime Minister Kilchi Miyazawa of Japan took another sharp political hit Monday when one of his most serior political allies was arrested on charges of taking \$600,000 in corporate bribes.

points in an estimate was arrested on charges of taking \$600,000 in corpo-rate bribes. Mr. Miyazawa has received generally good marks from pundits for his performance at last week's meeting with President George Bush. But the emergence of a new scandal is clearly another setback. The police arrested Fumio Abe, 69, a member of the Diet, or parliament, who has worked closely with Mr. Miyazawa for decades, on charges of taking bribes from a bankrupt steel frame company. Even in scandal-ridden Japan, this was shocking news. Mr. Abe is the first member of parliament imprisoned since former Prime Minister Kalmei Tanaka was locked up in 1976 for his role in the Lockheed bribery scandal. Under Japanese law, Mr. Abe will have to stay in prison at least 22 days before being eligible for bail. News of the scandal sent stock prices plunging in Tokyo, where sentiment was already negative. The Nikkei average shed more than 3 percent, to close at 21,696.86. (Page 9) Mr. Abe said Monday that he was innocent, but he still resigned from some of his political jobs. Reflecting his personal priorities, he resigned from the dominant Liberal Democratic Party — despite the name, the most conservative of Japan's major parties — and from his job in Mr. Miyazawa's party faction. But he did not give up his seat in parliament. in parliament

There has been no suggestion that Mr. Miyazawa himself knew of his friend's alleged dealing, or profited personally from it. Still, newspapers have said that Mr. Abe used part of his alleged bribery takings to fund political operations for Mr. Miyazawa. Mr. Miyazawa said Monday that the arrest was "very regrettable."

He did not discuss the substance of the charges against his old friend, but he angrily denied the suggestion that the alleged bribe money was used to help him win election as prime minister.

Since he became prime minister two months ago, Mr. Miyazawa has been dogged by questioning from opposition parties about his own role in the Recruit Cosmos bubery scandal. He made some misstatements to the parliament two years ago about a top staff aide who was a beneficiary of illegal handouts from Recruit, a big personnel placement firm that dispensed money to make friends m olitics.

Mr. Miyazawa has also suffered a series of setbacks trying to get legislation through the parliament. With a new session due to start in two weeks, the Abe scandal will give opposition parties more

amiunition to first at him during parliamentary debates. Japan's four main opposition parties do not have the clout to control the government, But they have enough power to the the Diet in knots by arguing about scandals in the dominant party, and they seem to enjoy doing exactly that. The crimes Mr. Abe is charged with perfectly reflect the thinking

of some parts of corporate Japan during the "bubble economy" boom, which ran from 1988 to 1991. Kyowa Corp., the steel-frame maker, got involved in real estate speculation, as did many Japaneze fraze, during the period, when real estate prices seemed to be giving nowhere but up.

as a convenient rewriting of history. Over the weekend the Asahi Shimbun, one of Japan's largest newspapers, re-ported that anny documents found in the library of Japan's Sdf-Defense Agency indicated that the military is solf-Defense Agency indicated that the military se role e what were such

Bush Demands EC Concessions In Trade Talks **Brussels Uses 'Iron Curtain** Of Protectionism,' He Says

By Tom Redburn nal Herald Tribune

President George Bush, turning up the pressure on the European Community to accept substantial cuts in agriculture subsidies as trade talks reopened in Geneva, promised American farmers Mon-day that he would not agree to a global trade package without concessions from Brussels.

"Sooner or later, the EC must stop hiding behind its own Iron Curtain of protectionism," Mr. Bush told 6,000 delegates to a meeting of the American Farm Bu-rean Federation in Kansas City. "I will not let American agriculture disarm unilaterally."

At the talks in Geneva, mean-while, trade negotiators from sever-al nations attacked the EC for its opposition to the compromise package presented last month by Arthur Dunkel, director-general of the General Agreement on Tariffs

"If the Uruguay Round ends up being killed this spring, we all know who the villain will be," said a rep-resentative from a major farm exportiog oation outside North America. "It's Europe."

On Saturday, a sharply divided meeting of EC trade, economics and farm ministers again balked at any softening of its earlier-stated position that Mr. Dunkel's draft agreement goes too far in its call for reductions in farm subsidies. The EC ministers called on Brussels to ocgotiate "substantial improve-ments and eventual modifications" to the agreement in order to achieve "a balanced and coherent global result."

Under the proposal offered by Mr. Dunkel, nations would be re-quired to reduce the value of subsidized agricultural exports by 36 percent from 1993 to 1999 and the

Australia, a key member of the Cairns Group of farm exporters that also includes Brazil, New Zealand and Canada, has said the Dankel compromise represents far

agriculture, but wants changes in other parts of the text.

"We are not pessimistic. There are some very positive signs in this Dunkel report," Mr. Bush said in earlier comments to the leaders of the powerful U.S. farm lobby. At the same time, however, he vowed: "I will not take to the Congress a deal that is silent on agriculture and is oot favorable to American farmers."

In his speech to the full conven-tion, Mr. Bush said he was "absolutely convinced" that the best way in have the best possible foreign trade was "to get a successful con-clusion of this GATT round."

But he suggested that the White House could not afford politically to make further compromises.

"We have been pounded out there by unfair subsidies," he said, "and we're not going to have some kind of unilateral deal that is naive in the face of unfair world competition.

Mr. Bush, on the defensive from both Republican and Democratic attacks over the meager results from his recent trip to Asia, called the 12-day mission that ended last week in Tokyo "an important and successful step" toward opening markets abroad

"Some political critics say 1 should not have taken this trip," Mr. Bush said. "Wrong, 1 will continue to fight for American jobs

everywhere." "We won the Cold War and we will win the competitive wars," he

In Geneva, Mr. Dunkel won support from trade negotiators to con-tinue the talks in hopes of sealing a deal by mid-April.

"We are now very clearly in the concluding phase of the round," he

But the ongoing dispute over farm subsidies, which seemed on the verge of compromise only two months ago after Mr. Bush met with EC leaders in Brussels, still threatens to wreck any settlement. Mr. Dunkel warned that any sig-

450-page proposal "would inevita-bly result in an uncontrollable unraveling of the package." Whil

45 Years Later, a Japan Admission on Korea 'Comfort Girls'

volume of favored exports by 24 percent over the same period. Sup-port prices for farm goods would fall 20 percent.

nificant tinkering with his complex,

and Trade.

Ennio Abe, center, a Japanese member of parliament close to Prime Minister Kiichi Miyazawa, being taken to prison on Monday after he was arrested on suspicion of faking corporate bribes.

zali, Defense Minister Khaled Nez-zar, Interior Minister Larby Belk-heir, Foreign Minister Lakbdar Brahimi, Justice Minister Hamdani Benkhelil and the army's chief of staff, General Abdelmalek Guenaizia.

The group took power on Mon-See ALGERIA, Page 4

nese Imperial Anny had forced tens of thousands of Korean women to serve as prostitutes during World War II, and hinted that survivors may be offered some kind of

By David E. Sanger

New York Times Service

TOKYO - Three days before Japan's prime minister,

Kiichi Miyazawa, takes his first official trip to South

Previously, Japan's official position has been that the "comfort girls" forced to have sex with Japanese soldiers were recruited by private entrepreneurs, not the military. Many historians, however, have attacked that position from 1910 until 1945.

called "comfort stations."

Mr. Miyazawa is widely expected to address the issue during his visit to Seoul, and to offer a fairly specific apology.

The huge majority of the women forced into prostitution in Japanese-occupied China and Southeast Asia were forcibly taken from Korea, which was a Japanese colony

On Monday, Japan's chief government spokesman Koichi Kato, offered a more specific apology, saying, "We would like to express our heartfelt apology and soul-searching and to those women who had a bitter hardship beyond description."

While historians disagree about how many women were forced to have sex with the troops, estimates run from 60,000 to more than 200,000.

less than it originally wanted but should be accepted by all 108 changes to the overall agreement, GATT members to prevent a col-Mr. Dunkel said his plan representlapse of the five-year-old Uruguay Round of talks. The United States, which has

accept Mr. Dunkel's proposals on

ed a delicate compromise that attempts to meet the requirements of all parties to the orgoniation. also sought deeper cuts in Europe-an farm subsidies, is prepared to

"I have no new - or better -

See TRADE, Page 11

Vatican Nod **To Slovenes** And Croats

By Alan Cowell New York Thmes Service ROME - Reversing indications that it would await diplomatic cover from European governments, the Vatican on Monday recognized the independence of Croatia and Slovenia, underscoring Pope John Paul II's desire to show strong sup-

ly important recognition of the two secessionist states until Jan. 15, the European Community deadline for replying to requests for recognition

it had sent diplomatic notes to the capitals of the two states "recogniz-ing their sovereignty and indepen-

Seeking a balanced, diplomatic Vatican had sent a separate mes-sage to federal authorities in Belgrade saying the recognition "does not have the character of a hostile act" toward Yugoslavia and prom-

to the Vatican.

henceforth represent Croatia.

me to go, the Croatian government sent me a fax asking me to represent them for the time being," he

"I had no intention of sending a See VATICAN, Page 4

port for the predominantly Roman Catholic republics. In recent days, Vatican officials said privately that the Catholic Church would delay its symbolicalfrom the component parts of the crumbling Yugoslav federation. But on Monday the Vatican said

posture, the statement also said the ising that the Pope's representative in Belgrade would continue to be accredited to the federation. But relations between the Vati-

can and Belgrade already seemed awry. The Yugoslav ambassador to the Holy Sec, Ivica Mastruko, a Croat, said Monday that federal authorities dismissed him last week because he ignored Belgrade's directives. That, he said, had left the federation without a representative

Mr. Mastruko said he would

Two hours after Belgrade told



Lobert Stock/The Associated Press Members of a Croatian police unit, searching for mines and other unexploded munition Monday in Karlovac, near the Slovene border.

Germany's Eastward Reach

Building an Economic Presence in the Old Soviet Bloc

By Richard E. Smith

International Herald Tribune FRANKFURT — Slowly but surely, Germany is laying the foundations for long-term economi leadership in Eastern and Central Europe.

In spite of a slowing economy and the burdens of unification, Germany has already rapidly be-come the chief urader and leading investor nearly everywhere in Eastern Europe and the former Soviet Union.

Businessmen and economists say German trade with the East may grow more slowly this year, and the bulk of German companies are still cautious about investing.

But whereas other Western countries tend to exploit specific business opportunities oo an ad hoc basis, Germany is building a broad, permanent presence for what is likely to be decades to come.

"Germany has become the chief trade partner of nearly all these countries after the East bloc trading system broke down," said Bernd Kitterer, East European expert at the German Industry and Trade Association.

"Wherever yon go to trade fairs, the Germans have the largest exhibits," said Will van der Hooft, project manager for Eastern Europe at the Nether-lands Council for Trade Promotion in The Hague.

Germany accounted for over a third of trade between the West and Eastern Europe in the first half of 1991 and for between one-fifth and onefourth of investment, according to the UN Eco-

nomic Commission for Europe. In some areas, as in Czechoslovakia, the share of investment rises to roughly half.

For the former Soviet Union, Germany account-ed for 10 to 15 percent of trade and 11 percent of investment.

The pace of grnwth has begun to slacken, how-ever, as the German economic locomotive, which also pulled much of Western Europe last year. loses steam As a result, the penetration into East-ern Europe as a whole is slowing somewhat, and trade with the former Soviet Union is in decline due to the chaos in the region.

West German exports in the Soviet Union fell to about 6 billion Deutsche marks (\$3.8 billion) in the first half of 1991 from 9 billion DM a year earlier. Analysis believe they have since dropped consider-

ably further. The prospect for any surge in investment in the East, by German or other companies, also seems limited for the moment in spite of the vast vistas that becknoed in businessmen with the fall of the Iron Curtain.

Aside from several dozen showcase projects, most German companies are waiting oo the side-lines until the area's legal systems, currencies and business networks become established again.

"The Germans are the most involved and have the longest track record in the East, but they are being cautious along with everynne else," said See GERMANY, Page 11

Peace Corps Redux: Graybeards Are Headed East

New York Times Service

WASHINGTON - Richard Gamitz, a 70-year-old former furniture store owner, is considering leaving a subarban retirement community — his two-bedroom apartment overlooks the third fairway of a golf course to enter a two-year life of uncertainty where he may find bimself in long lines to buy eggs and milk and a scarcity of fuel to heat his living quarters.

Mr. Gamitz, a former Commerce Department employer, Foreign Service officer and international trade expert, may join the Peace Corps to become a part of its first group ever to enter and assist what was once the Soviet Union.

The Peace Corps director, Elaine L. Chao, announced recently that the organization, for the first time in its 30year history, would over the next two years send more than 600 volunteers, mostly with business backgrounds, to former Soviet republics to help their transformation into capitalist democracies.

The volunteers will assist businessmen in the Commonwealth of Independent States with concepts of private plungeenterprise and will help governments define their goals.

"This is an opportunity for volunteers to participate in shaping world history," Ms. Chao said. "This is a very special and exciting period of time."

Shortly before his trip to several of the republics last month, Secretary of State James A. Baker 3d said, "I would like to see at least 250 Peace Corps volunteers on the ground by next winter."

While the volunteers have yet to be selected, Mr. Garnitz and his wife Sydelle are part of a new breed of potential candidates, many of them older than the usual volunteer. The average age of Peace Corps workers is 31.

"We both like adventure, if you will, and both feel we could contribute to the democratic and open-market ecouomy of the countries," said Mr. Gamitz, of Silver Spring, Maryland. "We're physically able to go. No problem

about that. If we decide it's right, we might take the

The volunteers will most likely be working alone. They will receive only a modest living allowance, health care and housing.

"The conditions will not be easy," Ms. Chao said, "so volunteers will have to have a high level of motivation. But as evidenced by the high number of phone calls we've gotten already, a lot of people are eager to participate." So far, the agency is oot having trouble luring business executives away from comfortable jobs to endure two years in an area of political unrest, economic uncertainty. scant food and hyperinflation.

In fact, the average number of inquiries received daily by the Peace Corps has jumped from about 250 to 750

since the beginning of January. The agency is actively recruiting volunteers for the Baltic republics, Armenia and Ukraine, which have for-

See CORPS, Page 2

Impasse Broken at Mideast Talks

Kiosk

Israeli, Jordanian and Palestinian negotiators broke a procedural impasse on Monday that had held up the start of substantive negotiations, the leader of the Jordanian delegation said.

"I am glad to tell you we came to an agreement," said the chief Jordanian delegate, Abdel Salaam Majali, said in Washington.

Under the agreement, Israel would negotiate with Jordan and the Palestinians in two separate subcommittees consisting of nine Palestinians and two Jordanians for the talks with the Palestinians, and nine Jordanians and two Palestinians for the discussions with Jordan. (Page 4)

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	he U.S. thinks Pakistan has an Islamic bomb." Page 2.	Crossword	FF 5.384 Page 5.	

Parliament Chief Demands That Yeltsin Resign Over Prices

By Francis X. Clines New York Times Service

Page 2

MOSCOW -- With the harsh fact of price rises sinking in across the nation, the speaker of the Russian parliament called Monday for the resignation of the government of President Boris N, Yeltsin for having enacted "uncontrolled, anarchic" economic changes.

The call by the partiament speaker, Ruslan I. Khasbulatov, was quickly rejected by a spokesman for the Russian government, which denied as well that Mr. Yeltsin might resign his second job as prime minister in reaction to the growing political heat over price rises.

The Interfax news agency had reported that Mr. Yeltsin was preparing a plan to step back from the prime minister's role and offer it to various prominent Russian politicians to focus his own attentions more on the republic's role in the shaky new Commonwealth of Independent States

new government reflected a growing sense of uncase over the first steps of a free-market plan introduced Jan. 2 by the Yeltsin government.

Deputy Prime Minister Yegor Gaidar, the nation's economic chief, said that, far from resigning, the Yeltsin government was proceeding with its plan and had expected "natural criticism by the legislature of the executive power forced to take unpopular measures in a very difficult situation."

Protest is slowly growing across Russia in the form of demonstrations and limited strikes as the public faces prices that consumer statisticians predict will at least double in the first weeks.

In some localities, such as Vladimir, officials facing consumer protests are raising government price subsidies, a so-cialist step that the economic changes were fashioned to end.

In Ulyanovsk, fuel prices rose eighttates. The report and the speaker's call for a Tass. In Kirov, as in other cities, local

Food prices grew by 182 percent last

month and are expected to double again this month, according to the St. Petersburg Center for Consumer Market Research. The center now estimates a city family will need 1,200 to 1.600 rubles a month for food, about three times the average wage.

Mr. Khasbulatov, fresh from a trip to the Russian provinces, wasted little time in calling for the resignation of Mr. Yeltsin's cabinet, a group built around Mr. Gaidar and his complement of free-market enthusiasts intent on replacing economic communism, repairing the ruble currency and gaining Russia a future place in global markets.

Eleven days after the initial release of price controls, Moscow consumers seem stunned by the results as they suffer much the the same shortages as previously, but with prices rising rapidly. A featured story on the national television

officials are burriedly opening soup kitchens, the agency reported. Food prices area by 187 percent last economic situation, with some bewailing that not even salaries of 800 or 1,300 rubles a month - a handsome amount under communism — were enough now. not been fair in allowing less two weeks In unging a new government, Mr. to go by before calling for the president Khasbulatov said the mitial economic of the parliament to bring down the govchanges had proved "completely unwise ernment. and far from realistic."

It is oot true liberalization of prices, but "uncontrolled, anarchic, nonregulated price increases," he said at a news conference.

The government is "practically incapable," Mr. Khasbulatov told a meeting of visiting Italian politicians, thus going on record as an opponent of the unpopular price increases that Western economists consider unavoidable if the move to the free market is ever to happen here.

He termed the Yeltsin program's ini-tial steps as "utterly senseless, divorced from the realities of economic life," Although Mr. Yeltsin was not promi- sent from aboard was being left ungnardnent Monday on the issue, his govern- ed and unclaimed at the Moscow airport.

Sergei Shakhrai, legal counselor to Mr. Yeltsin, said the parliament speaker had

But Mr. Khasbulatov was obviously lapping into a mood of uncertainty and crankiness about the prices rise and what they are expected to achieve.

"We have again fallen hostage not so much to reforms as to a clumsy implementation of reforms," the newspaper Pravda Buryatii said, complaining that the price increases were enacted prematurely before the privatization of businesses needed to produce fresh goods.

The television news followed the story about consumer complaints with a report that some of the humanitatian aid being **WORLD BRIEFS**

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Bulgarian Elections Go to 2d Round

SOFIA (AP) — Velko Valkanov, a lawyer backed by the party now known as the Socialists that was formed from the old Communist Party, forced the incumbent presideal. Zhelyu Zhelev, into a run-off in presi-dential elections, results showed Monday. Mr. Zhelev, a 56-year-old philosopher and former dissident, went into, the Sunday voting as a favorite But returns Monday showed that he failed to get the required 50 percent of the vote, forcing him into a run-off next Sunday against Mr. Valkanov, With 93 percent of votes counted, Mr. Zhelev, he d 45 58 percent of Mr. Valkanov 30 52 percent election. Mr. Zheley had 45.58 percentioned Mr. Valkanov 30.52 percent, election officials said.

officials said. The solid showing for Mr. Villanov, analysts said, confirmed that the former Communists still have support and can use the explosive issue of the Turkish minority to win bulking. Bulgaria's 1 million ethnic Turks, persecuted under the former Communist leader, Todor Zhivkov, solidly. hacked Mr. Zhelev.

The unexpected showing of Senges Ganchey, third with 16.81 per-cent, apparently robbed Mr. Zheev of the outright victory. Mr. Ganches was a champion fencer who spent many years in Britain and the United States. Analysts suggested that foreign ways and wealth particularly impressed the younger votors.

Chadian Police Heportedly Kill 10 NDJAMENA, Chad (AFF), Political policemen in Chad killed 10 people in front of their familie mnight raids on their homes in the capital late last week, a wide variety of ources said. The sources, including official of the local human-rights league and many politicians, some close the government of President Idris Déby, also said that about 60 people and been arrested in the crackdown. Implicit confirmation of the interes came from the city's mayor, Lol Mahamat Choua, a Déby apponnee. "Everybody knows about this wave of arrests," he said.

of arrests," he said.

UNITED NATIONS, New York (AP) — Secretary-General Burros Burros Ghali has proposed sching a force of 1,000 to El Salvador to monitor an end to the civil wire the UN said Monday. The announcement occurs is government and rebel negotiators worked to resolve differences there a peace accord to end the war, which has claimed 75,000 lives in L2 wire. The accord is expected to be signed Thursday in Mexico City declare delays in reaching a final agreement. The presence of UN force avoid because of transition from armed confrontation to national recombination," the UN chief said in a report to the Security Council issued Monday.

French Captive Escapes in Kashmir SRINAGAR, India (AP) A French engineer who had been kid-napped by Muslim separatistic scaped Monday after three months of captivity in Kashmir, the police said. The Frenchman, Antonio Silva, an engineer working for an Indian-French company, fled his captions Sunday in the mountainous Anantmag district of India's northermasic state, about 45 kilometers. (30 miles) southwest of Srinagar. southwest of Srinagar. Mr. Silva was abducted Oct. 14 from the town of Dulhasti, in Doda

district, where he had been working on a hydroelectric dam project. The region is about 125 kilometers southeast of Srinagar.

Inquiry on Berlin Spy-Swap Lawyer BERLIN (Reuters) — Policinan have raided the office of Wolfgang Vogel, an East German lawyer follown for arranging several Cold War spy exchanges, to investigate whether he engaged in blackmail, a Berlin Justice Ministry spokeswoman said on Monday. Mr. Vogel has denied the accusations, she added.

Mr. Vogel, 66, faces charges arising from 12 cases in which East Germans were forced to hand over property or sell it below market value ; in return for being allowed to leave the former Communist state.

As a go-between for the superpowers during the Cold War, he arranged swaps of secret agents and other prisoners, including the late Gary F. Powers, an American U-2 spy plane pilot; Colonel Rudolf Abel, a Soviet spy in New York, and Anatoli B. Shcharansky, a Jewish dissident in the Soviet Union, who is now known as Natan Sharansky.

No Sign of U.S. POW in Kazakhstan

WASHINGTON (Reuters) — The United States has found no evi-dence to back claims that a U.S. prisoner from the Vietnam War was taken to the former Soviet Union, the State Department said Monday. The department spokeswoman, Margaret D. Tutwiler, said two diplo-mats from the U.S. Embassy in Moscow went to the Kazakhstan capital: A Auto Ath last much the allowing the allowing the two diploting and the second second

of Alma-Ata last week to pupple the allegations with senior officials: "None of these persons could provide any information to support these recent allegations concerning American POWs in the region," she said, "and all denied any knowledge of any Americans having lived or been detained in this area."

Yeltsin Plan Won't Do, Chairman of Russia's **Central Bank Warns**

By Fred Hiatt

Washington Post Service MOSCOW - The chairman of the Russian central bank, which should be a key player in Presi-dent Boris N. Yeltsin's radical economic change, said Monday that the plan was badly conceived and could lead to social uprisings. The chairman, Georgi G. Ma-

tyukhin, said in an interview that on the key issue for the central bank — controlling credit and money supply — he would cooperate with the economic program.

But he said the Polish-style "shock therapy" now being put in place here was wrong for Russia and had led to soaring prices without increased production. He said he believed the government was likely to have to change course.

"It's always been like that in Russia," Mr. Matyukhin said. "We smash our heads against the wall, and only then do we begin to realize we should go another

Mr. Yeltsin embarked Jan. 1 on an ambitious program to transform the economy of the former Soviet Union into a capitalist free market by freeing prices and ex-change rates, limiting the money supply and privatizing farms and factoric

Mr. Matyukhin's opposition to key aspects of the plan, including some directly under his control, raises questions about the administration's ability to carry out the program

Explaining that he answers to controlling the money supply and parliament, the economist, 57, ac-knowledged with a smile that "I "We are trying to help, to pre-would have been out of here a vent explosive inflation," be said.

long time ago" if it were up to Mr. Mr. Matyukhin said the mis-takes of Mr. Yeltsin and his chief economic adviser, Yegor Gaidar, stemmed in part from listening to Western advisers like Jeffrey Sachs of Harvard University who do not understand Russian reali-

"They know as little as we do, although they are paid very well," Mr. Matyukhin said. "I would give such advice to anyone for a tenth of what they are paid."

Mr. Sachs could not be reached for comment. In an interview last week, he said that senior bureaucrats at the central bank were sufficiently committed to the drive for change that the institution would cooperate no matter who is at its head

Mr. Matyukhin said he had sent letters to Mr. Yeltsin setting out his objections but had not re-ceived replies. "It's been a tradi-tion with us since 1917," Mr. Matyukhin said, referring to the year of the Bolshevik Revolution. We get no feedback" from those in charge.

for cuterprises."

Asked about persistent rumors that he would soon be replaced, he replied, "Ramors, yes, but to fire me is not so easy." Mr. Matyokhin, a former schol-

others, Mr. Matyukhin said the ar who came to the bank in the cash in circulation doubled in summer of 1990, said be support-1991, with 70 percent of the ed efforts to transform the institubank's resources being turned tion from one that gave credit on over to the government to cover a ballooning budget deficit. demand to a real central bank,

A Moscow entrepreneur drawing a crowd on Monday as he tries to make ends meet by selling homemade wine in the street.

"We are already rejecting credits how the funds will be repaid. The same is true, be said, of state-In the final months of Mikhail owned companies and of other S. Gorbachev's government, ac-cording to Mr. Matyukhin and republics, which although independent continue to use the ruble.

others, the money supply went completely out of control as the But Mr. Matyukhin said he firmly opposed another key aspect bank printed money to satisfy the political demands of the repubof the Gaidar plan, making the ruble freely convertible with the lics, of enterprise managers and dollar and other currencies.

Advocates of the shock-therapy approach said such a change was essential to encourage foreign investment and allow free-market realities to correct inefficiencies Now, he said, the Finance Minbuilt into this economy during deistry cannot get more money "just cades of state direction. Any other course would, in essence, continue state subsidies of unprofitable by orders," but must sign an agreement explaining when and

abroad. But Mr. Matyukhin said such a process that could take years.

the free market will "allow our whole republic to be bought for a dollar," he said, and will make it impossible for large sectors of the economy to import goods they

"I am oot sure what we'll get from such sbock therapy," be said. "In my opinion, an evolutionary way would be better for us.".

change should take years. The plummeting value of the ruble on

of prices will result in hardship for Russians without more goods. That, in turn, could lead to social unrest which would force the government to back down.

"Of course, the locomotive can sometimes be put behind the cars, but then it won't be able to see the track ahead," he said. "One thing

Similarly, Mr. Matyukhin criti-cized the government for freeing prices before restructuring the economy by breaking up state mo-

Reuters HAVANA - President Fidel

The shift comes at a time when

disintegration of the Soviet bloc,

which has left Havana with a sharp

decline in supplies from Moscow

Word of Mr. Castro's statement

direct talks were the best way to

settle longstanding enmity between Cuba and the United States.

The American analysts, who had

important address to the meeting, which was held behind closed

doors and was not open to Havana-

Philip Brenner, a U.S. academic

and leading expert on Cuban af-fairs, said after the conference end-

ed Sunday that Mr. Castro had

articulated a new Cuban foreign

policy that internationalism begins

no longer support them." He said

Mr. Castro made it clear that he

diolomatic ties with Havana in ear-

based correspondents.

at home."

and few foreign friends.

With state monopolies still controlling production and distribution, the banker said, the freeing

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A Pakistani A-Bomb? U.S. Thinks So, Senator Says Cuba Shifts

making a nuclear bomb.

Compiled by Our Staff From Dispatche ISLAMABAD, Pakistan - The United States thinks Pakistan has an "Islamic bomb" and fears that the country could become part of a nuclear-armed fundamentalist Muslim bloc in Central Asia, a U.S. senator said Monday.

Pakistan has denied developing nuclear weapons, but the senator, Larry Pressler, Republican of South Dakota, a senior mem-ber of the Senate Foreign Relations Committce, said at a news conference here that Washington was convinced that Islamabad had a usable nuclear device.

"The Bush administration made a determination," Mr. Pressler said, "that Pakistan has the capability to have a nuclear bomb which maybe has to be put together - it is in two pieces or something - but it is there." He added, "There is a fear of an Islamic bomb here and in some of the states in the Soviet Union."

Pakistan and Iran have begun to forge links with the newly independent Islamic republics of Central Asia and Azerbaijan in the former Soviet Union. Mr. Pressler said these countries could

form the nucleus of an Islamic strategic bloc. Many prominent Pakistanis, including the former army chief, General Mirza Aslam Beg, have espoused such a grouping. "A bloc or confederation of some sort, if

two or three countries in it have nuclear weapons - that would be a great concern to my countrymen and to many others," Mr. Pressler said

Turkey, and several former Soviet republics have expressed interest in joining. At least available for military contracts. one, Kazakhstan, has ouclear weapons on its soil

Mr. Pressler spoke on the eve of a visit to Paris by Prime Minister Mian Nawaz Sharif, who said Monday that France had agreed to pay compensation in a longstanding dispute over the cancellation of a nuclear deal and that Pakistan wanted to use the money to buy French Mirage 2000 warplanes.

Cheney Sees Need for SDI

Washington Post Service

BONN - Defense Secretary Dick Cheney expressed fear Monday that as many as eight or nine more nations might have nuclear ballistic weapons by the end of the century, and he cited the threat as reason for proceeding with the Strategic Defense Initiative.

We have to operate on the assumption, I think, as defense ministers, that we may in the future be living in a world where more nations have weapons of mass destruction," Mr. Chency said after meeting with German leaders here.

"Over the course of the next several years we will see perhaps 15 or 20 developing United nations acquire ballistic missiles," Mr. Che-tance."

ney said. "By our estimate, as many of half of those nations with ballistic missiles may in fact possess nuclear weapons by the end of

the century, some eight or nine nations. That's a prime reason behind our desire to develop SDI, the ability to deploy defenses against ballistic missiles." be said.

Asked about Pakistan's nuclear capability, Mr. Cheney said only that the Bush administration could no longer certify to Congress that the country did not possess nuclear weapons. "We cannot say for certain that United States with respect to military assis- approval by the French government.

An emerging Economic Cooperation Or-ganization already links Pakistan to Iran and cessing plant to Pakistan in 1978, and that republics, together with Pakistan and Iran, Away From the compensation mooey would be made was fanciful and "the rantings of a wayward mind.

need

Pakistan previously depended largely on U.S. arms supplies, but Washington halted views of a man who has not studied this Subversion military and economic aid in October 1990 region scriously," said Economics Minister because it suspected that Islamabad was Sardar Asif Ali.

Mr. Pressler was largely ignored by Paki-Castro, declaring in a significant policy shift that "internationalism begins at home," has said that Cuba will no longer give military help to revolutionary movements Pakistan dismisses U.S. suspicions, saying that its nuclear program is geared to meeting energy needs. But, like India, Pakistan has president Giulam Ishac Khan and Mr. Sha-President Ghulam Ishaq Khan and Mr. Shanot signed the treaty banning the spread of rif.

He said that France had agreed to pay 600 million francs (\$118 million) for failing to abroad, according to American an-alysts who heard his speech. Cuba is under mounting economic making ouclear weaponry. and political pressure due to the

U.S. sources then said that Pakistan had stepped up efforts to make weapons-grade

uranium, coinciding with a rapid rise in tensions with India, its traditional foe, over a Muslim uprising in Kashmir. The cut-off of arms deliveries and spare

followed a commentary on Cuban state radio on Monday saying that parts has hit the Pakistan military hard, particularly its air defense squadrons of U.S.

F-16s and some navy ships. A key element in Mr. Sharif's five-day official visit to France will be talks on Pakistap's desire to buy warplanes.

The prime minister will seek to buy two attended a three-day conference in Havana on the 1962 Cuban missile squadrons of Mirage 2000s, government they do not have nuclear weapons," he said, sources said. A deal with the manufacturer, "and that has altered their status vis a vis the Avions Marcel Dassault, could be made after sources said. A deal with the manufacturer, crisis, said that Mr. Castro made an (Reuters, AFP)

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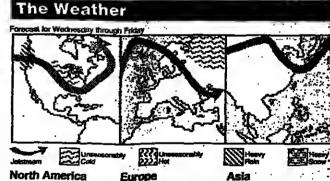
The report had quoted a femaer KGB official as saying a U.S. pilot downed over Vietnam in May 1967 had been taken to Alma-Ata in-September 1967 and then to the town of Sary Shagansk, where be was said to be living.

TRAVEL UPDATE

Paris Taxi Drivers in 24-Hour Strike

PARIS (Reuters) - Paris taxi drivers were to hold a 24-hour strike for

higher fares beginning at 1201 A.M. Tuesday. The drivers, backed by France's three biggest trade unions, will demonstrate outside the Finance Ministry to demand a 12 percent. increase in meter charges and a minimum fare of 30 francs (about \$6) per ride. There are 14,500 taxis in the city.



Europe Areas of thick log and low cloudiness will persist into michaels will persist into michaels from London through Paris and Bonn, No main or enow is acpect-ed over a large portion of Europe as high pressure remains in control. A few showers will dempen southwestern Spein. A blast of bitter cold air will A basis of ottear could air wai frost the North Central states Wednesday and hold through Friday. Snow is Sizely in Chicago Wednesday, and it could snow in New York City as the cold shifts eastward Thursday. Californie will remain drv. remain dry.

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A cold rain and even we snow is possible lats Wednesday in Tokyo. If will furry or snow in Seoul at Pusty or snow in Seoul ag midweek. Cool, dry weath-er is fikely into Thursday in Hong Kong to Taipel. Be-sides spotty showers. Bangkok, Singapore and Mania will have sunahine.

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Defections Erode Kenya's Ruling Party

By Keith B. Richburg Washington Post Service

NAIROBI --- When President Daniel arap Moi bowed to pressure and agreed to allow multiparty politics in Kenya one month ago, the broad-based opposition seemed torn by internal rivalries and on the verge of falling anart

Now it is the ruling party's turn. In the last four weeks, Mr. Moi's Kenya African National Union has been hit by the resignations and defections of cabinet ministers and assistant ministers. Most of the departing officials left with scathing verbal broadsides at the Moi government, accusing it of corruption, vote-rigging in past elections and other anti-democratic actions.

Mwai Kibaki, a widely respected health minister from the large Kikuyu tribe who served for nine years as Mr. Moi's vice president, quit to form his own Democratic Party of Kenya.

Another Kikuyu minister, Njoroge Mun-gai, announced that he was leaving the civironment and natural resources post to join the main opposition group, the Forum for the Restoration of Democracy. A third Kikuyu minister quit carlier.

Mr. Moi is from the small Kalenjin tribe, and many prominent Kikuyus resent the way he has stripped them of much of their power in the civil service and state-run companies. Not all of the defectors have received a

warm welcome from the opposition. Some, like Mr. Kibaki, have been accused of being in league with the government and of trying to improve the ruling party's chances in fu-ture elections by splitting the opposition. Some newspaper columnists have dismissed the defectors as "opportunists" trying to climb aboard the growing democratic band-WSEOD.

In any case, the spate of resignations — which now includes scores of local and re-gional ruling party officials — has given the widespread impression that the government is in serious disarray. Mr. Moi's party has lost its aura of invincibility, and with elections expected to be called within months, Kenyan politicians now seem to be scrambling to distance themselves from it.

The press has become more aggressive since Mr. Moi's announcement in December announcement the ruling party's constitu-tional monopoly of power. Before this move, Nairobi's major newspapers and weekly magazines seemed to exercise a subtle self-censorship, stopping just short of direct criticisms of the president. In the last month, editorials have called on Mr. Moi to resign, and oews-

boys hawk magazines with cover headlines like "The Beginning of the End."

One element of uncertainty in the unfolding political drama here is the attitude of Kenya's armed forces, which have stayed distant from politics following a sweeping reorganization in 1982.

That reorganization came in the wake of an abortive coup attempt by a small group of disenchanted Kikuyus in the air force, which was then rebuilt with new recruits. Diplomats and Kenyan opposition leaders say some top Kenyan military officers, who are close to the ruling party, may be upset by the rapid pace of democratization and frightened about losing some of their perks. There is speculation that some officers may be tempted to forgo their traditional impartiality and intervene with the government to stop the changes.

The first to raise the "coup scenario" outright here was Peter Oloo Aringo, who was dismissed as education minister shortly before Christmas and then quit as national chairman of the ruling party, kown as KANU, to join the Forum for the Restoration of Democracy.

Announcing his decision to join the opposition, Mr. Aringo, according to press reports, said. "There is a plot by the KANU government to sponsor a military coup in Kenya because KANU knows it will definitely lose in elections."

(Continued from page 1) mally requested assistance, Ms. Chao said, adding that she expected other republics of the Common-wealth of Independent States, in-cluding Russia and Kazakhstan, to

marketing products, cost accounting, structuring and managing businesses, seeking additional capital sources and determining wheth-

relations.

Mr. Brenner quoted the Cuban leader as saying, "Even if there was opportunity for supporting revolu-tionary movements abroad, we will was talking about support in the form of Cuban troops or military follow suit. Participants will teach English aid and assistance. The United States, which broke and educate businessmen about

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said The Peace Corps says the new program will operate with new fi-

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nancing and will not reduce funds

sent to the Baltics and 250 to the other republics, bringing the total oumber of volunteers there to 620 by the end of next year, Ms. Chao

going to Third World countries.

er a private venture is worthwhile. The corps plans to send 60 vojunteers by June to the Baltic republics --- Lithuania, Estonia, and Lat-via - about 150 to other republics by late summer and another 100 by November. In 1993, 60 more will be they did support revolutionary

ly 1961, has long demanded that Cuba stop "exporting revolution," making this a condition for ourmalizing U.S. ties with the Communist-ruled island Another U.S. participant at the conference, Robert S. McNamara,

the former U.S. defense secretary, said the Cuban delegates had been

"quite candid in saying that, yes, movements, they did carry out sub-

version in the hemisphere." He added, "They were equally candid in saying, were they going to do it in the future? No."

Mr. McNamara said Sunday that the United States and Cuba posed no security threat to each other and should move to improve

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Russian Rocket Experts to Share Data With U.S.

By William J. Broad New York Times Service

Russian scientists say they have made im-Portant strides over the decades in perfecting nuclear-propelled rockets, enhancing the prospects for faster space travel, and they plan to detail their achievements this week for the first time.

They will also propose a joint venture with the United States to build, test and use nuclear engines for sending humans to Mars, a feat whose distances and dangers might be beyond the powers of conventional chemical rockets.

least twice as energy efficient as ones that burn chemical fuels. By generating vast pow-clear mission. The federal government has er, they could substantially shorten a Mars

Russian scientists say they have attained an important milestone in making nuclear-

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engine that rapidly heats propellants to ex-tremely high temperatures. The propellants engine, the more rapid the expansion and Albuquerque, New Mexico. But the new en-

Nuclear reactors have long been used to in advance. generate electrical power for spacecraft, es-pecially by the Soviet Union. But they have field," Dr. Nikolai N. Ponomarev-Stepnoi, a deep into space.

In theory, nuclear-propelled rockets are at totype nuclear rocket engines on the ground ission. The federal government has recently rekindled the effort with an eye toward new military and civilian uses, including a speedy way to send astronauts to Mars

many decades, but have gathered few details. The disclosures are to be made this week are not burned, but the heating causes them by a team of Russian scientists at a meeting to expand, producing thrust. The hotter the on space nuclear power held annually in gine disclosures have already been outlined

"We have definite achievements in this never been used anywhere as powerful en- high official of the Kurchatov Institute of gines for pushing rockets away from Earth or Atomic Energy in Moscow, said in Albuquerque. "The temperatures were higher than those obtained by our American col-

Dr. Ponomarev-Stepnoi said his team would propose a joint venture with the West to perfect such engines and "to go to Mars gether." Steve Aftergood, a nuclear expert with the

Federation of American Scientists, a private

powered rockets. They say they have used Western technical experts have known of highly heat-resistant metal alloys to build an the secret Russian work, which goes back work appeared to be worth close study. "It seems clear we have something to learn from their advances," he said.

Elliot B. Kennel, a nuclear engineer at Applied Sciences, of Cedarville, Ohio, who recently met with the Russian scientists, said his company had already agreed to help them further their engine work, which he described as impressive.

They say they have several reactors that have been tested over a long period of time." he said.

Generally, the Russians, though backward in some fields of technology, are seen as metallurgical wizards who have mastered high-strength, high-temperature alloys virtually unknown in the West. These metals can be important in the de-

sign of advanced reactors, which generate great amounts of heat, by preventing the the reactors from burning up.

No Iowa Surprise This Year

gates.

The Presidential Long Shots Focus on New Hampshire

There is no written ballot, and

vithout an informal straw poll at

the start of the meetings it is

Everyone knows

verdict: George

Bush and Tom

difficult to determine the relative

strength of all candidates on a

More than anything else, it is

the candidacy of Mr. Harkin, the

state's pre-eminent Democrat,

that has kept the other candi-dates — and the reporters and

television satellite trucks - out

of lowa. His announcement last

September, and his effective con-trol of the state party machinery,

guarantee that he will get the

most caucus votes.

Harkin.

statewide basis.

the caucuses

By R. W. Apple Jr. New York Times Service DES MOINES — What al-

ways fascinated the country about the lowa political cancuses was their predilection for underdogs, like George McGovern in 1972, Jimmy Carter in 1976, Gary Hart in 1984 and Pat Robertson in 1988.

But this year, the underdogs have been shut out. The powers that be have construed the rules in such a way that the presidential long shots are concentrating on New Hampshire. When Iowa speaks on Feb. 10, eight days before the New Hampshire primary, few people elsewhere will ecause everyone knows precisely what will happen.

"The 1992 lowa caucuses have been rigged for George Bush and Tom Harkin," wrote David Yepsen, the chief polinical reporter for the state's leading newspaper. The Des Moines Register. So little interest has been aroused that the paper canceled the candi-dates' debate that it had scheduled for Friday night.

lowa's caucus system differs markedly from the primaries used by most states. Party members gather in homes or other precinct meeting places to an-nounce their preferences or deelare themselves uncommitted.

A head count is taken, and the supporters of candidates who get less than 15 percent of the total are given an opportunity to re-

Delegates to district convenzation that has been the hallmark tions are allocated on the hasis of of lowa campaigns was out of precinct strength, those conventhe question, and with money so tions choose delegates to state tight, a big television effort was conventions, and the state conunlikely. ventions, one for each party, choose national convention dele-

Just to make sure, the Republicans announced early that they would not hold a straw ballot at the beginning of their caucuses, which might have shown presidential weakness.

Page 3

The Democrats, for their part, resisted suggestions that they hold a straw poll, which would have made it clearer which candidate was second strongest and given the candidates a greater incentive to make a run here. The Democrats also resisted pressure from a few mavericks like Ed Campbell, a longtime party worker, to have the caucuses vote hy secret hallot instead of pnhlie declaration.

"The intimidation factor is significant," Mr. Campbell said, not only because many active Democrats owe jobs or other favors to Mr. Harkin but also because "people don't like to be asked, "What, you're not for Tom?

As things now stand, "unde-cided" is likely to finish second, and it seems likely that none of the other candidates will meet the 15 percent threshold needed in gain delegates to the Democratic National Convention. The Iowa Poll reported late last month that Mr. Harkin had 68 percent, with Senator Boh Kerrey of Nebraska next, with 10

Pleas for Safety Studies On Gel Breast Implants

but not in animal breast tissue. In 1976, 16 months after a new

type of implant was first put into

prosthesis? Yes or no! Does it continue for the life of the implant or is it limited or controlled for a period

were dazzled by silicone for imble as a noodle and was both soft

Officials of Dow Corning maintained that the implants were safe, that most women who have them are delighted with them and that memoranda among the company documents challenging company practices paint an inaccurate and

testing the implant components. The Food and Drug Administra-tion last week called for a moratorium on the devices pending a review of safety data. A panel will meet

We cannot assure the safety of this product," the agency commis-sioner, David A. Kessler, said in

Hopkins University, who has been a consultant to the agency on the issue, the lack of directly relevant

dented in the history of medical device evaluation," the letter said. But the current chief of the health-care business at Dow Corning, Robert T. Rylee, said the implants had been adequately tested and shown to be safe. He said the

memoranda reflected disagreements within the company and said other documents might counter their assertions.

ny probably should have carried out some studies that it did not to spreads throughout the body.

We think that there is no sciencannot totally exclude that."

The company acknowledges in its warning labels that formation of stiff scar tissue, known as capsular contracture, can be a side effect of

But Slayer Says He's Insane asked Mr. Dahmer if he under-MILWAUKEE - Jeffrey L. stood the plea change, Mr. Dahmer Dahmer pleaded guilty but insane replied, "Yes, your honor" in a calm voice. on Friday to the mutilation

Mr. Dahmer was arrested in July when the police found body parts of 11 males scattered around his apartment — a severed head in the refrigerator, hands in a metal kettle judged sane, Mr. Dahmer

and skulls in a box. The police were led to Mr. Dahmer's apartment by a man who said he escaped from there after being threatened with a knife. In the following days, Mr. Dahmer admitted killing 17 males petition for release every six

since 1978. He said his first victim was a hitchhiker he strangled in his "I want to emphasize that the hometown of Bath, Ohio. Mr. Dahmer, a former candy factory worker, is charged with 15

of trial on the sanity issue.

Gerald Boyle, said. "This case is killings in the Milwankee area, inabout his mental condition." cluding three at his grandmother's Mr. Dahmer, 31, is accused of luring most of his victims to his suburban home. The police said he

apartment, then drugging, killing admitted keeping one man's heart "to cat later." Wisconsin is among a handful of

states in which a person who pleads sanity phase dealing with his state the crime - at which time no quesof mind at the time of the slayings. tion of sanity is raised — and then The hearing Monday was held in undergo a second, separate phase

. Changing the plea to guilty but insane "changes everything," As-sistant District Attorney Greg O'Meara said, "It changes the way we position ourselves during the trial; it changes the way we do jury selection; it changes who we call as witnesses, and it changes what questions we ask them."

He said it would also keep some of the most grisly evidence of the case from being introduced. But legal experts say releasing details of the slayings cannot be avoided.

"The defense has to persuade the jury that this crime was so bizarre and so pathological that this man can't be held responsible the way other people are held responsible," said Leonard V. Kaplan, a profes-sor of law at the University of Wisconsin-Madison.

"I don't see how they can do that and avoid the details," he said.

insanity must first be convicted of 4 Die in Peruvian Air Crash

Reuters LIMA - Three Americans and a Peruvian policeman who worked in Judge Gram rejected a defense the country's anti-drug program motion Monday to have the jury died on Sunday when a helicopter selected from outside Milwaukee crashed in the country's largest County because of pretrial publici-ty. coca-growing region. The U.S. Em-bassy said the helicopter's Amerithe audience Friday; they exhibited ty. "I don't think moving this to can pilot and co-pilot, an American "I don't think moving this to can pilot and co-pilot, an American some other county is really going to mechanic and a member of the Pe-solve that problem, Judge Gram ruvian National Police died in the accident.

Tony Read/The Associated I MORE THAN JUST A MOVIE BUFF - David Stork, a Stanford University research scientist, cutting a birthday cake at a party he whimsically organized for Hal, the computer in the 1968 movie, "2001, A Space Odyssey," who, in the film story, began operating on Jan. 12, 1992.

Latin America Is Looking Up

Regional Growth Spurred by Free-Market Economies

ton Post Service BUENOS AIRES - Can this

really be Latin America? Inflation is down, investment is up, stock markets are booming, government spending is under tighter control and economies have - tentatively - begun to grow.

Latin countries have embarked. on the conversion of state-domi-

"The basic debate about cco-

a technocrat, Jaime Paz Zamora of Bolivia is a leftist, Patricio Aylwin of Chile a Christian Democrat, Andres Rodriguez Pedotti of Paraguay an army general. Alberto Fujimori of Peru and Fernando Collor de Mello of Brazil defy categoriza-tion. All are following, fundamentally, the same economic script.

around 200 percent, and in 1992 the figure could drop into double digit range.

Those averages are skewed by Brazil's economy, Latin America's largest. Mr. Collor has had less success than other reformers in reducing inflation, which reached 466 percent last year and is now more than 20 percent a month.

of time? What is it?? Company officials in the 1960s

plants, which seemed inert, did not react to acids or akalines, was flexiand elastic. When plastic surgeons saw and felt the new material, "their eyes got big as sancers," said Thomas Talcott, a consultant in California who quit Dow in 1976 in what he said was a protest at its

practice "It was not that the people in the company were greedy and callous," Mr. Talcott said. "They believed these things were safe."

Feb. 11 to consider it.

announcing the moratorium. To Norman Anderson of Johns

scientific studies is astonishing. In a letter he sent to Mr. Kessler three days ago, be noted that be had reviewed all 10,000 pages of Dow Corning's submissions to the agency and found that none of the studies in animals put silicone or

implants in or under breast tissue, Although I am only a clinician, I find this omission a peculiar phe-nomenon which must be unprece-

slayings of 15 young males, making it incumbent on a jury to determine his mental state at the time of the If

would face a mandatory life prison sentence for each murder. If deemed insane, he would be committed to a mental institution for But be conceded that the compathe criminally insane. After undergoing treatment for a year, be could

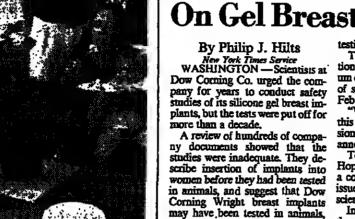
see whether there were more probmonths. lems, such as inflammatory diseases caused by silicone that decision to plead guilty is Mr. Dahmer's," the defense attorney,

tific data that would say silicone or other materials in the implant have an adverse effect on human immone system," he said. "Bnt we

and dismembering them. The plea change will cause Mr. Dahmer's jury trial scheduled for Jan. 27 to move immediately to the

Some other candidate might well have tried to finish a surpris-ing second; that was enough to Mr. McGovern's campaign alight in New Hampshire in 1972. But the whole campaign got started so late that the care-ful, precinct-hy-precinct organi-A Guilty Plea in Milwaukee,

Dow Corning Resisted





women, an official in charge of its development was still expressing frustration over the lack of data. We are enguifed in unqualified

speculation," wrote A. H. Rathjen, who headed a group working on the implant at Dow Corning. "Nothing to date is truly quantitative. Is there something in the implant that migrates out or off the mammary

nated economies to free markets, and it is producing results. Profits have not trickled down to

most ordinary citizens, whose in-comes and living standards fell sharply in the 1980s and have yet to recover. But for the first time in years, most analysts see reason for optimism about the region's prospects.

"I think the recovery can be a protracted one," said Gert Rosenthal, executive secretary of the United Nations Economic Commission for Latin America and the Caribbean, which is based in Santiago. "The case can be made that Latin America can once again look forward to a rather long period of stable growth." The UN commission reported

that regional economics grew by an average of 3 percent last year, a modest but impressive increase given recent Latin American stagnation and current slnggishness worldwide. By most estimates, the countries

furthest along are Chile, which began the change years ago under Augusto Pinochet; Mexico, with its close economic ties to the United States, and Venezuela, which has oil wealth to fall back on.

No Latin countries have completely made it out of the economic woods, but if the trend continues it will mark the second major transformation the region has seen in a decade

. In the 1980s, democracies replaced military governments in Ar-gentina, Brazil, Chile and several other countries. With the exceptions of Cuba and Haiti, elected governments now govern through-

out the region. "I am absolutely convinced that democracy is here to stay," said Bernard W. Aronson, assistant secretary of state for inter-American affairs.

Now, in what could turn out to be an equally sweeping revolution, Latin America is abandoning longheld economic dogma in favor of a new consensus that emphasizes the need to become competitive internationally, even if that implies short-term pain for millions of peo-

Belt-tightening, privatization and inflation-fighting have meant, almost by definition, holding sala-

Election results and public-opinries down. ion polls indicate that most Latins are willing to accept a measure of sacrifice in exchange for lower inflation and the promise of resumed growth and development. But popular demands could rise if tangible benefits are not felt soon.

The new economic consensus transcends political labels. Presidents Carlos Saúl Menem of Argentina and Carlos Andrés Perez of Venezuela are populists, while Car-

nomic policy is over," a senior Ar-gentine official said recently. "The threatens to become a drag on the debate now will be over social polientire region, especially as South cy, over how to provide for those who have been left out."

The most dramatic gaias have been made in slowing the region's chronic, rampaging inflation. In 1990, Latin America underwent in-flation of nearly 1,200 percent, ac-

U.S. Finds

Overbilling

By Schools

New York Times Service

WASHINGTON - Feder-

al auditors have found that 14

research universities inappro-

housing, personal expenses, travel; entertainment, fund

raising and other activities un-

spread such overcharges are among universities conducting

research for the government. The audits, undertaken af-

related to research.

trading blocs. Brazil, Argentina, agreed to create a common market,

called Mercosur, by 1994. Officials acknowledge that the effort will be flation of nearly 1,200 percent, ac-cording to the UN commission. healthy Brazil as anchor.

incomplete picture. But critics

challenge that view. American nations look to regional Uruguay and Paraguay have experiment on women, under the nated the market from the carliest guise of selling a commercial prod-uct," said Mr. Talcott, an engineer who was the head of the company's technical services and development group, which was responsible for lion to 2 million.

Dow Coming Wright, a joint venture of Dow Chemical Co. and "Dow Corning and the plastic Corning Inc., is the largest maker surgeons have conducted a massive of breast implants and has domidays of their manufacture.

It is not known how many American women have received implants. Estimates range from 1 mil-

a courtroom with a plastic shield installed between the public area and the area where Mr. Dahmer, the lawyers and the judge sat. Some family members of victims were in little emotion when the plca was entered.

When Judge Laurence Gram of Milwaukce County Circuit Court said.

Cairo Stuns Artists With Verdict on a Novel: 8 Years in Jail

By Chris Hedges New York Times Service

CAIRO — Three years after publishing his newest novel, Alla Hamed has been hounded from his joh, forced to move out of his apartment because of death threats and may soon go to prison, along with his publisher and a book distributor.

A special court, hearing charges that Mr. Hamed's novel, "The Distance in a Man's Mind," is blasphemous to Islam, found it priately billed the government several million dollars for to be "a threat to national unity and social peace" and sentenced the author, publisher

and distributor to eight years in prison. The sentences stunned Egypt's artists and intellectuals, who have traditionally enjoyed the most artistic license and inde-A report on the auditors' findings, for the Department of Health and Human Serfence in the Arab world. vices, provides the first de-tailed indication of how wide-

Writers, artists and journalists, including PEN International and the American PEN Center, have appealed to the prime minister to reverse the ruling against Mr. Hamed. A German rights organization

joined the appeals. These artists, intellectuals and rights ad-vocates condemned the threats by Islamic

Reuters ULAN BATOR — Mongolia, where even the matches are ra-tioned after 70 years of Marxism,

passed a new constitution on Mon-

day throwing out the last vestiges

of communism and enshrining de-

The document, which takes ef-

fect Feb. 12, makes Mongolia a

democratic parliamentary state

with an independent judicial sys-

tem and guarantees freedom of

speech, faith and other basic hu-

London Ritual Is Called Off

Agence France-Presse

man rights.

mocracy and a market economy.

ter disclosures last year of overcharges at Stanford University, surveyed 14 research universities and found overcharges or questionable charges at all of them, though A Winged Horse Now Runs to Right on a smaller scale than those reported at Stanford.

The inspector general at the Department of Health and Human Services, Richard P. Kusserow, conducted the an-dits of the institutions, including the University of Michigan, the University of Pennsylvania, Emory University, Yale University, Rutgers University and the University of Chicago, and found ques-tionable charges at all of the institutions surveyed that

amounted to several million dollars. Federal officials are trying to obtain repayment for what Mr. Kusserow described as "inappropriate charges and unallowable costs" billed to the government by research miversities over the last five years. Some of the institutions have already begun to repay

LONDON — The changing of the guard at London's Buckingham the government for what they Palace was canceled Monday beacknowledge were improper cause of a bomb scare, the police billings.

fundamentalists to kill Mr. Hamed, a gov-ernment clerk who writes fiction in his spare time.

"The novel is mediocre," said Gamal Ghitani, the culture editor of a Cairo daily, Al Akhbar, and a novelist himself. "But that is not the issue. This is the first time an Egyptian court has delivered a verdict like this, and it sets a temple precedent. We cannot allow religious authorities to censor our creative and intellectual work, 1 am not defending Mr. Hamed now; 1 am defend-ing myself."

The sentences were handed down by a state security emergency court, established under laws imposed in 1981 after the assas-sination of President Anwar Sadat by militant Muslims. These emergency laws desig-nate the prime minister, Atef Sedki, as the deputy martial law governor and his signature on the court decision is necessary to make the verdict final.

"We have appealed to the prime minister not to ratify the verdict," Mr. Ghitani said, "and we want an end to this emergency

The first of two trials took place after an employee in the office where Mr. Hamed cess."

works took a copy of the book to the country's highest body of religious authori-ties. The Muslim clerics condemned the book as blasphemous and ordered that it be banned and Mr. Hamed punished. They did not endorse a call by Islamic fundamentalists for Mr. Hamed's death.

A government court heard the case last spring and dismissed the charges. But the first court referred the case to the special security court in May.

The new judge, Mohammed Abdel Ra-zek, reopened the case on Dec. 25. He allowed the defense 30 minutes to contest the jurisdiction of the court to retry the case, recessed the session for an hour and case, recession the session for an hour and came back with a guilty verdict. He sen-tenced Mr. Hamed, his publisher, Fathi Fadi, and the bookseller, Mohammed Madbulli, each to eight years in prison. Mr. Hamed was also fined \$750.

"I can never remember a case like this," said Neged Borai, Mr. Hamed's lawyer. "It

violated all the norms of the judicial pro- most of the novel in an undefined place

Many say they think the hasty verdict was handed down to appease angry Islamic authorities.

Six more books have been impounded hy the Islamic Studies Institute. The books. which were being exhibited over the weekend at Egypt's annual international book fair, were described as religious works. In addition, one contained explicit sex.

An institute spokesman said the books were probably impounded "because they transgressed against religion." He said be had no further details.

Mr. Hamed's novel. a disjointed dialogue that takes place in a dream, begins with a question.

"Who am I?" it asks. "A name on a waiting list. A Muslim hy heredity. If I were born in an atheist mold, I would have een one. A person does not choose his hirth or his religion."

that appears to be heaven, with prophets and angels.

"If religions are for all times and places, why have most societies not adhered to them?" the author asks. "Where is the truth? What is right? What is wrong?"

Mr. Hamed, sitting nervously on the edge of a sofa in his small apartment, said he was mystified why his book had created such an uproar, and also baffled as to how he might support his wife and three children from a prison cell.

"I never thought it would result in this," he said. "I thought maybe it would be banned, but not see us all go to prison."

Publicity about the book, published in 1988, has resulted in numerous death threats, many delivered by telephone.

Mr. Hamed moved out of his apartment a few weeks ago. He also stopped going to his office in the tax authority because he said he was shunned by co-workers. "No The protagonist debates theology for one would speak to me," he said.

Visiting * *** Mongolia Abandons Last Vestiges of Marxism-Leninism New York City? References to the Communist Party, socialism, Marxist-Leninist ideology and centralized planning are gone. The former People's Re-public of Mongolia, a huge nation surdwiched between Russia and four boxes per month. Power cuts Gramercy **Park Hotel** Distinguished 509 room hotel overlooking Gramercy Park. sandwiched between Russia and China, is now the State of Mongo-lia, and the Communist star has ing, partly because of the collapse ing, partly because of the collapse Excellent Restaurant, Cocktail Lounge, Piano Bar ing, partly because of the collapse of its former mentor, the Soviet and Room Service. Multi-lingual staff. Minutes to Business Center, Sightseeing. Banquet/Meeting facilities. In 1990, the country followed the former Eastern bloc in throwing Singles \$125-135 Doubles \$130-140 The constitution combines the Suites \$160 & up

unified assembly called the State

Miyazawa Set for UN Talks

TOKYO - Prime Minister Kiichi Miyazawa will attend a meeting The land of rolling steppes and mountains populated by a scant 2.1 of the UN Security Council on Jan. million people is struggling 31, a spokesman said Monday.

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horse jumping to the left, symboliz-ing communism jumping over capi-talism — now has a winged horse over communism. running to the right. two-chamber parliament into one The 430 members of the People's Great Hural, the upper house of Great Hural. parliament, 80 percent of whose members belong to the Communist Mongolian People's Revolutionary Party, approved the new document, 331 to 3. Agence France-Presse

gone from the flag.

The national emblem - a white

Israel and Palestinians Break Procedural Impasse in Talks

Compiled by Our Staff From Dispatches WASHINGTON - Israel and Palestinians broke their procedural deadlock on Monday and made progress on determining a formula for negotiations over Palestinian autonomy.

..Page 4

"Corridor diplomacy is ended," said the Palestinian spokeswoman, Hanan Ashrawi, referring to the six days last month that negotiators spent haggling in a corridor of the State Department, unable to agree even to enter the negotiating room.

The compromise, advanced by Israel and accepted by the Palestinians, involves the establishment of two committees. One will discuss autonomy and other issues concerning the Palestinians. The second committee will deal with issues between Israel and Jordan.

The Palestinians had demanded the right to deal with Israel without Jordanians at the table. The dispute blocked any progress at the last round of talks, which ended here Dec. 18. Israel's proposal provides for

Jordanians to be present when Palestinian issues are discussed. But the committee members will be mostly Palestinians.

Mrs. Ashrawi said Israel had recognized that there should be "twintrack" negotiations between Israel and the Palestinians on one hand and Israel and Jordan on the other. "It means they have recognized that only Palestinians can speak for themselves and speak on Palestin-

ians' behalf," she said. An Israeli official said the full 14-member Israeli and joint Palestinian-Jordanian delegations were called to the negotiations at the State Department about an hour after their delegation chiefs met.

"There was progress, clearly enough for them to call in the rest of the delegates," the official said. The goal of these talks is to agree

on self-rule for 1.75 million Palestinians in the occupied West Bank character related to the 1,000-year greb on Wednesday.

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and Gaza Strip by November. Is-racli officials say they will present Bank and in Gaza detailed proposals on self-rule. Because the Israelis say they are leaving Washington late Wednesday, this round of talks is expected to last only three days.

Israel also resumed separate talks with Syria on Monday, but talks with Lebanon were postponed for a day because the chief banese negotiator was sick. Syria accused Israel of giving the

peace process short shrift, and Isra-el responded with charges that Syr-Soviet Union. ia was stalling.

Israel's chief negotiator in the talks, Elyakim Rubinstein, said a three-way general meeting would be held late Monday, immediately followed by direct talks with nine she said. Palestinians and two Jordanians, A separate meeting with nine Jorda-nians and two Palestinians will be

held on Tuesday, he said. The talks were to have begun last week. But the Arabs delayed their arrival to protest Israel's decision to expel 12 Palestinians suspected

(Continued from page 1)

resignation letter to Belgrade, be-

cause that would have signified rec-

ognition of the federal govern-ment," he said. "So they fired me."

Up until Monday, the Pope had frequently espoused the cause of

the two republics, particularly Cro-

atia, fighting a six-month-old war

against the predominantly Ortho-

dox Christian, Serb-led federal

army. Last weekend, in an address

to diplomats, the pontiff called the

conflict's destruction of churches

and hospitals "revolting." At the same time, the Vatican

has sought to play down sugges-

tions that the strife has a religious

London 23 miles

If the United States approves the guarantees, "we will view this as a direct affront to the integrity of the peace process" and of the United States as an even-handed sponsor,

ter of loan guarantees should be resolved in negotiations between Israel and the United States and that for Mrs. Ashrawi "to come and

schism between the Orthodox and

politics and history that are more

mportant," one official said. Some

diplomats, however, suggested that the Vatican's recognition of the two secessionst states could bring reli-

gious differences into much sharp-

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There are other passions of

She also said the Palestinians would again appeal to the United States to withhold federal guarantees for \$10 billion in loans Israel is seeking to resettle hundreds of thousands of Jews from the former

An Israeli official said that mat-

er focus.

Mrs. Ashrawi said her delegation had handed the Israelis a letter expressing the Palestinians' "serious concern and grave alarm" at the planned expulsion of the 12 accused by Israel of fomenting terror-

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Esso, European Parliament, German Ministry of Foreign Affairs, ICI, Mc Kinsey, U.S. State Department, etc.

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interfere is really chutzpah," using the Yiddish term for gall. (AP, Reuters)

Roman churches.

Among some Serbs, the combination of Germany and the Vatican backing the regime in Croatia is almost certain to evoke historical sion." parallels, since Belgrade has in the past accused the church of collaborating with a Nazi puppet regime in Croatia during World War II that persecuted Serbs and Jews - a

charge the church denies. In a published interview Mon-Vatican officials were not availday, Germany's ambassador to the Vatican, Hans-Joachim Hallier, able Monday to comment on why the recognition had apparently been brought forward. The only said there was a "substantial coincidence of views" between Germaother European power to recognize the two states so far is Germany. ny and the Vatican on the conflict in Yugoslavia. Recognition of Crowhich is to formally establish diplomatic relations Ljubljana and Zaatia's independence, he said. "could put and end to the bloody army into the current conflict.

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aggression from Serbia," and the international community "will not Zagreb radio said pro-Serbian international community "will not be able to tolerate further aggres-

In its statement Monday, the Vatican said that Croatia and Slovenia had quickly accepted conditions for recognition, including ad-herence to democratic principles

and pledges to safeguard the rights of ethnic minorities. The question of ethnic minorities is at the heart of Balkan politics. Last June, after Slovenia and Croatia declared their independence from Belgrade, the Serbian minority in Croatia took up arms to op-pose the move, drawing the federal

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snipers opened fire on European Community peace observers Monday but that no one was hit, Reuters reported.

The monitors were inspecting Croatian positions near the city of Osijek when snipers opened up, the French government circles were radio said. There was no indepenbracing for an influx of Algerians dent confirmation.

flecing what they feared would be establishment of an Iranian-style Five EC observers were killed Jan. 7 when a Yugoslav Anny jet shot down their helicopter. They Islamic state. While the French govern were the first fatalities since about took a wait-and-see approach, 170 EC monitors took up positions in July to oversee what became a however, some opposition politicians were more outspoken, with succession of broken cease-fires

Algiers on Election publican Party saying that "be-tween the Islamic Salvation Front By Alan Riding and the freezing of democracy un-New York Times Service der the army's control, I prefer the

Doesn't Condemn

Paris, Pointedly,

PARIS -France, which for over a century was Algeria's colonial master and to this day is home to latter." In an editorial, Le Figaro, a conmore than 800,000 of its nationals, servative daily, suggested that Alexpressed concern Monday about servative daily, suggested date Al-

developments in Algeria but pomtnoting that France was somehow expecting "largely illiterate peoples to discover in just a few years what edly avoided condemning the cancellation of the country's electoral took us centuries to learn." DIOCESS. But two other influential news-

"It's not up to France to judge these events," said Daniel Bernard, chief spokesman at the Foreign Ministry. "It is up to the Algerian people to decide their future.

eesting op internation

.....

The French government's cantious reaction appeared to reflect its relief that Islamic fundamentalists have been prevented from winning power at the polls this week and its awareness that the situation in Algeria remains highly volatile after President Chadli Bendjedid's resignation on Saturday.

democracy since independence in 1962, French political circles were

alarmed when the fundamentalist Islamic Salvation Front won 188 of 430 parliamentary seats in the first round of voting on Dec. 26. And with the Islamic Front alern France, complained Monday ' most certain to win a clear majority in the second-round vote that had that democracy was the best system "except for Arabs and Muslims." been scheduled for Thursday,

Perhaps surprisingly, the leader of the far-right National Front, Jean-Marie Le Pen, who has often called for the repatriation of Arab immigrants, said that "democracy is not being fully applied" in Alge-ria. But some experts say they think his party would profit from fears stirred by a fundamentalist victory Gerard Longuet of the small Re- in Algeria.

day by pushing aside the president of the Constitutional Council, Abdeimalek Benhabeles, who, according to the constitution, was supposed to become titular head of tate until new elections were held

43 days from Monday. The statement was the first from the Front since its leader, Abdelkader Hachani, warned on Sunday against any attempt to take the party's triumph away from it and demanded that the second round of

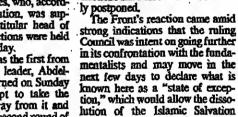
elections be held as scheduled.

Front and other parties. The Front's position coincided On Monday, the Front said the with a debate that has been going esignation of the president was on within its ranks in the last two unconstitutional. Colonel Bendjedays between hard-liners, who say did was known to favor going Mr. Hachani has not been strong enough and who have advocated ahead with the elections even if it meant the advent of fundamentalsince Saturday that the party move ists to power, a development that to rougher tactics of civil disobediwas feared by many layers of the ence to challenge the government's society, including working women decisions.

The so-called state of exception

ALGERIA: A Call by Militants (Continued from page 1)

new date for parliamentary elections, and it is now reported by senior officials that presidential elections have also been indefinite-



France, although evidence suggests it is divided. Last week, 3,000 opponents of the Islamic Front urched through Paris, but Amar Lasfar, an Islamic leader in north-

crushed freedom, "one can only condemn this strangling of the stillborn democracy." worse than the disease?" So far, little has been heard from

installed a religious state and And it asked: "Isn't the cure

papers, Le Monde and the left-of-

center Liberation, both criticized

what they described as the coup

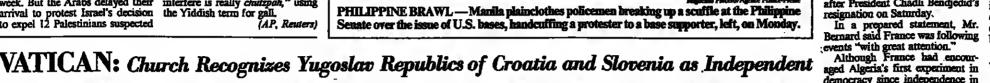
d'etat in Algeria and asked both

whether democracy should be re-fused to enemies of democracy and

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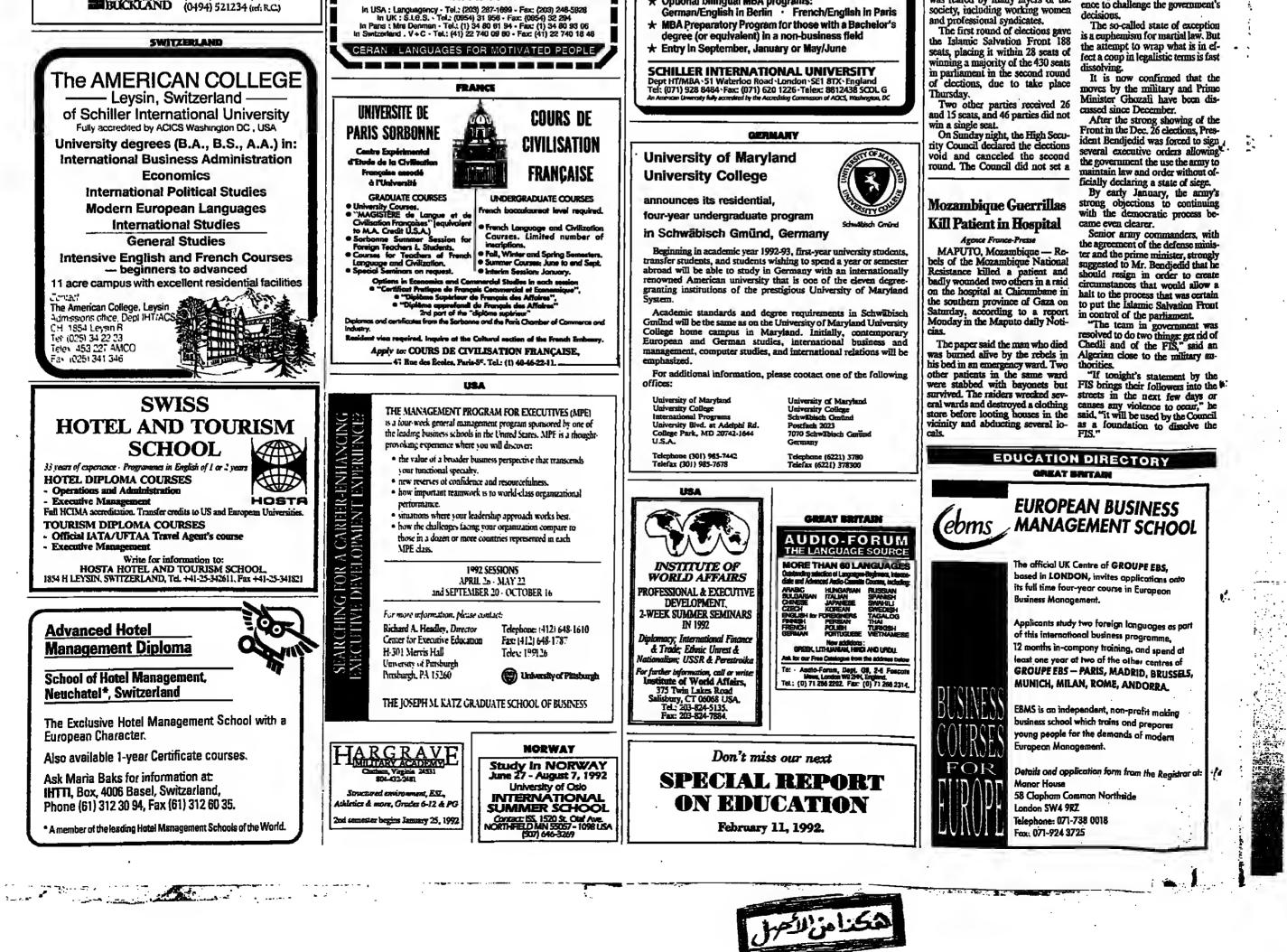
whether the end justifies the means. Le Monde said that although military intervention might be jus-tified if the Islamic Salvation Front

the large Algerian community in



it a







men who want to strut their stuff, and he made the western work for him, by mixing colors, historical periods and ethnic influences, so that a cowboy vest was covered with baroque embroidery, a basic shirt was a riot of pattern on lustrous silk, and jeans came in black-andwhite stripes worn with bright Aran sweaters in een, tomato red o Elton John - whose new tour outfits, set and show will be designed by Versace - was guest of honor in the marble palazzo where Versace showed his tableaux vivants of clothes on muscular models. "I've always loved what Gianni does and now that I have calmed down my flamboyant. look they seem just right," said Elton, whose "quiet" outfit was a gold-and-black baroqueswirl silk shirt with leopard print sleeves, skintight pants, a silver-studded cowboy belt and matching shoes. The show was all about the culture clash of glam rock, the Wild West and antique-inspired fabrics. "I am like CNN -everything from all over the world is in there --- it's a global vision," announced Versace, who was holidaying at New Year's in the fashion crowd's hot spot, South Beach, Miami. Like CNN, a lot of the things seemed to appear again and again, but the display had a cocky energy in its torsohugging quilted blousons, its buckle-from vests and its flamboyantly-patterned lining to a. sweeping long coat. There wasn't much to wear to work (unless you are a rock star), but the western accessories - especially the shoes were done with dash. Valentino's show was all about nice chaps the ones who have a well-exercised body and a perpetual suntan, and those over-trousers cowboys wear over their pants. Valentino made them in a bold pony skin pattern that was the theme of the show and the backcloth of a most dramatic display which included all the designer's lines from eye-popping black-and-white Op-Art ties to socks and umbrellas, as well as the classy basic line which sells \$100 million a

112.

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. . . .

"I love the embroidery from Mongolia, and to me they are designs and costumes that can be made to look modern today," said Valentino, who used ethnic quilting throughout the show from lapel motifs on plaid jackets to swear-pants. The cultural melting pot idea came out not just in the Italian-western look, but also by making the tartans in Tirolean shapes and using the pony skin not only for Milanese cowboys but also for sophisticated city clothes. Gianfranco Ferré showed Monday the sportswear lines that complement his main show, which will be unveiled Wednesday. In his three casual collections, bright colors, easy shapes, interesting fabrics and the cross-culture theme were the stories. "It is something that belongs to our time and our culture," said Ferre about the idea of mixing it. In his Oaks collection he put Scottish plaid with military khaki to give a new twist to a familiar theme. Other mixes were gingham checks - a standout story here - with quiet floral prints, and Aspen ski sweaters with Western boots and jeans. Ferre's newest fabric was a rubberized melt-on cloth that came in the bright clean primary colors - red, yellow and cohalt blue - that the designer mixed in with nentrals. Franco Moschino's maverick spirit still flashes in the slogans he slaps on a shirt — "Hunch Back" across the shoulders or a trompe-l'oell print of suspenders on the torso of a shirt. But the Cheap and Chic line he shows majors on strong basic shapes: the singlebreasted three-button suit and the flat front, or pleated but narrow-legged pants. That is the way that men's fashion is moving now that the double-breasted jacket and baggy pants have become Italian fashion's cliché. Moschino livens up the mix-and-match tailoring with a vest patterned with the Leaning Tower of Pisa, with bold gingham checks for pants or jacket, with stripes broad or narrow,

46 Rash

wear story.

rough wear look or just simple Chinese blue and with a few splashes of fun, like heart-shaped appliques at the elbows or a gold-se-quinned jacket that Liberace would have loved. In a nervous retail climate, these first shows of 1000 here a second block of the second s heavy-duty sportswear, shown with thick knit socks and mountain boots that are a hot footof 1992 have got a reasonable turnout, with Burton Tansky, vice chairman of Bergdorf Goodman, fielding a team of eight, many of whom had been at shows in Florence over the

Thin, Flat And Elegant:

Lassoing a theme and rodeo-riding with it is both Valentino's strength and his weakness.

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weekend.

HE other side of Italian menswear reflects the fog and gray skies that hang over Milan through the winter season. Every shade of gray was on show at Canali, where the tailoring was in such subtle shades that it took a while to realize that almost every suit was broken up into different fabrics and textures.

At Etro the quality of the cloth sings out in the jackets that have the texture and look of hairy country tweeds, but are as light as a cardigan -- and in the case of one unlined flannel jacket, as soft and comfortable as a knit. The Italian forte is the Sunday Best look — an easily tailored jacket that translates into a suit for more formal wear. Etro also had a fine selection of scarves and silk patterned ties with a crunchy, tweedy three-dimensional look

The every-day-is-Sunday look was strong too at Trussardi, where beautiful young men sat around at one of Milan's traditional restaurants, while outside in the gallery the public put on a peacock parade of herringbone suits, loden coats, jaunty feathered Tirolean hats and furs, fors, furs.

Soprani was quict, but in a good way, for the gray and brown tailoring was enlivened by sweaters with polo shirt colors and basketweave textures. Krizia was really all about sweaters - hairy cardigans in warm colors like melon and nectarine or a range of sea blues from aqua to lagoon. These easy pieces, which included sweater sets and basic sportwear jeans, as well as suits in oatmeal and porridge shades, were in need of a stir in the cultural melting pot. Or at least a pair of snazzy cowboy boots and Wild West chaps.

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Buchanan's Small World

can presidential nomination has begun shakily. William F. Buckley, his philosophical hero, has sadly found him to be guilty of ann-Semitism. His campaign against Presi-dent George Bush is underfinanced. His quest may not survive the Feh. 18 New Hampshire primary election.

But there is this to be said for Mr. Buchanan's odd crusade: He is asking some very good questions. What is America's proper role in the world, post-Cold War? And what should America be doing to improve the lives of its own people?

Pat Buchanan's answers are primitive and vague; his value bes in his perception, shared by others, that just when America's ideals are triumphing abroad, America seems to be losing its edge. It is a confusion that Mr. Bush has been slow to address, and Mr. Buchanan will have achieved something if he forces the president to do so.

Mr. Buchanan himself is not the man to get the country back on track. His foreign policy can be summed up in one word: retrenchment. He would replace Mr. Bush's "globalism" with a "new nationalism" that would "put America first." Beating the Communists has long been the sum total of Mr. Buchanan's foreign policy. With that accom-plished, he says, it's time to come home.

All this is ominously reminiscent of the isolationism of the pre-World War II America First movement. It is also dangerously naive and ill timed. The Cold War may be over but nuclear weapons abound; the question of who controls them grows ever more dicey given the disintegration of the Soviet Union. Would Mr. Buchanan have America retreat from its responsibility to ensure a safer world? It would seem so.

He is not alone in criticizing Mr. Bush's preoccupation with foreign affairs. Senator Tom Harkin, who seeks the Democratic presidential nomination, makes the same complaint. Nor was he alone in opposing intervention in the Gulf. But America has real global interests. Trade, immigration, hu-man rights, the environment and the future of the Soviet republics are global concerns. They cannot be wished away.

At least Mr. Buchanan's foreign policy is plainly stated; his domestic policy is hash.

The prohlem for candidates in presiden-

tial primaries is that they agree on a lot of

basics. So the candidates themselves will

seek to magnify any differences among

them, and onlookers like press and party

will dwell on these at length as the only

The latest example occurred the other day among the Democrats in New Hamp-

shire. Governor Bill Clinton of Arkansas

began to run a television ad based on a 15-

page "Plan for America's Future." Truth be told, both ad and booklet are pretty stan-

dard stuff. They contain the usual mix of

lofty goals, some good ideas and some

promises that would be harder to finance or fulfill than the candidate suggests. But

Senator Bob Kerrey of Nehraska, instead

of letting his rival's positions vanish into

the blur of the campaign with all the rest, has chosen to challenge them — the televi-

sion spot as "false advertising," the book-

Senator Kerrey is angry because Gover-

nor Clinton claims to be for national

health insurance. But he is not, says the

let as downright "revolting."

evidence available of a fight.

Democrats Overdoing It

taxes, which would enlarge the deficit he rails against. He also advocates a vague protectionism aimed at "rich and prosperous allies who take America's generosity for granted as they invade our markets" — a fatuous formulation that assumes that foreigners repay American generosity by forcing consumers to buy products they do not want.

There is, finally, the question of Mr. Buchanan's vocabulary and beliefs. To his friends he is likable, generous and without prejudice. His critics, however, focusing on his public utterances, think they have found a respectable version of David Duke, appealing to insecure whites all too ready to hlame foreigners, blacks, Jews.

In New Hampshire, for example, he said that by putting "America first" he meant, among other things, that "our Judeo-Christian values are going to be preserved and our Western heritage is going to be handed down to future generations and not dumped into some landfill called multiculturalism." He may simply have been taking one side of the fierce debate over school curriculums; to many blacks, however, his description of multiculturalism as a "landfill" sounds inescapably exclusionist, even racist.

The evidence of his insensitivity to Jews is more compelling. Mr. Buchanan all but blamed the Gulf war on Israel and its "amen corner" in the United States, singling out A. M. Rosenthal, Charles Krauthammer, Henry Kissinger and Richard Perle, all Jewish. He later wrote that the fighting would be done by kids with names like "McAllister, Murphy, Gonzales and Leroy Brown."

Comments like these persuaded Mr. Buck-ley to undertake a thoughtful study of anti-Semitism. In the Dec. 30 National Review, with obvious dismay, he said he found it impossible to defend Pat Buchanan against the charge that what he said and did amount-ed to anti-Semitism." Mr. Buckley leaves open the possibility that Mr. Buchanan's iconoclastic temperament" is to blame. One hopes so. But Mr. Buchanan, a professional writer, knows that words matter. And what his words convey, much as his bid for the nomination conveys, is the politics, the dangerous politics, of resentment.

-THE NEW YORK TIMES.

developed proposal. He would set up a

system of portable national health insur-

ance for all, financed in part hy eliminating Medicare and Medicaid, which it would replace, and by a new 5 percent federal

payroll tax (4 percent on employers, 1 per-

cent on employees). A national spending cap would be used to help achieve cost

control. It is a complicated scheme for the

working out and urging of which he de-

serves great credit - and he is right that

Governor Clinton's position as set out in

the ad and the booklet is more general and

The governor says he is in favor of "uni-

versal coverage," but that "we can cover

every American" including the one in seven

now uninsured "with the money we're al-

ready spending, if we demand insurance

reform to end the administrative waste of

the current system, control the nunecessary

spread of excessive technology, stop drug

prices from going up at three times the rate

of inflation, reduce billing fraud that may account for up to \$75 billion a year, and

force the people who send bills and the

diplomatic policy of isolating and demoniz-

ing Vietnam. Conspiracy theorists flour-ished, arguing that the Pentagon aban-doned the MIA search for reasons of its

own convenience and has subsequently

yearlong investigation, interviewing Ameri-

cans, Indochinese and others who have

been involved one way or another in the

search process. It may seek further informa-

tion from Moscow, and plans a trip next

month to Vietnam, Laos and Cambodia

during which senators can assess the coop-

Every war leaves behind anknown sol-

diers, missing remains and other mysteries.

In fact, there are far more unaccounted-for

Vietnamese soldiers and civilians than

American. That does not diminish the frus-

trations felt by America's MIA families.

They deserve a conscientious and compas-sionate response. By doing its joh well, the committee can reduce the vulnerability of

those families to con artists. And it can help

heal a national wound that still festers almost

20 years after President Richard Nixon or-

-THE NEW YORK TIMES.

dered the last U.S. troops out of Vietnam.

erativeness of those governments.

The Senate Select Committee plans a

worked to cover up that abandonment.

less clearly financed than his.

Economics Is About Making Things Better

WASHINGTON — Just about the most backward idea around is that economics is the "dismal science." Quite the opposite: Economics, since at least the time of Adam Smith in the 1700s, has devoted itself to improving the human condition by promoting policies to reduce material want.

Never before was the promise so great as during the decades after World War II. The crumbling of faith in economics now underlies much of today's pessimism and anxiety.

The promise was for a constant rise in living standards and an end to business cycles. Economics sold itself as a science which, if followed, would enable society to achieve the ageless ambjtions of social stability and ever ascending abundance. From these triumphs would flow more caring government and greater individual liberty. Today's disillusion is so profound in America because this vision completely captured mass

Every economic expansion, it seems, recreates false hopes that recessions are a thing of the past.

psychology and politics. It served as the national religion, writes the economist Robert Nelson in a new book, "Reaching for Heaven on Earth." People believed in the future as economists

sketched it. Correct economic policies would solve not only practical hut also spiritual problems," because "material scarcity and the resulting competition for limited resources (were) the fundamental causes of human misbehavior" everything from crime to war. Eliminate scarcity. and good would flourish. Economists could do that by engineering perpetual prosperity. Popular disillusion is surely warranted

although why it should be so acute now is less clear. Americans have had nine recessions since World War II. You would think people would



By Robert J. Samuelson

OPINION

no longer be shocked. They are. Every economic expansion, it seems, recreates false hopes that recessions are a thing of the past. The delusion is fostered by politicians and economists who refuse to talk about the inevitability of the next recession. The 7½-year expansion of the 1980s saw this phenomenon in full swing.

Living standards are another source of obvious disappointment. Between 1950 and 1970, median family income rose 85 percent in Amer-ica. Since 1970 the increase has been only 13 percent. Similar slowdowns have occurred in most industrial countries. Economists now refer to the period between the late 1940s and the early 1970s as the "golden age" and wonder why growth was so fast.

Perhaps it merely reflected a catch-up from the Great Depression and World War II. There were buge backlogs of demand for houses, cars and appliances. New technologies (television, plastic and antibiotics, among others) were ready to be exploited. Europe and Japan had to be rebuilt. But this is only one theory among many, and no one really knows why growth has

now become so much more grudging. The search continues for salvation: sustained, higher growth. As Robert Nelson shows, economists have differences. Some favor more government, while others trust markets. But the basic gospel, the belief in social progress through rational policies, is widely embraced. It was this faith that permeated popular con-

sciousness and created confidence in the future. In effect, economics became the cheery science. But it did not seem so. Economists projected themselves as sober pragmatists. The contrast between their demeanor (hard-nosed, even dour) and their message (desirable and glorious) actually made the message more believable.

Government is now expected to deliver on the promises even when, as more and more econo-

mists concede, the promises are extravagant. Failure to do so is taken as evidence of incompetence and sows huge douhts about the future. This is one cause of today's pessimism. (Another cause is higher unemployment among whitecollar workers who thought themselves invulnerable to a slump. Insecurity has spread among a whole new class of people.)

Curiously, pessimism about economic pro-spects may now be oversione — just as optimism was before. The truth is that, although recessions have not disappeared, they have become much

The truth is that, although recessions have not disappeared, they have become much less violent or frequent than before World War II.

less violent or frequent than before World War II. Between 1875 and 1918 the average recession involved a decline of 5 percent in national output. In the Great Depression the drop exceeded 30 percent. Since World War II the average decline has been about 2.5 percent. In the latest slump it was 1.6 percent.

One reason for this is that the service sector represents a bigger share of employment, and spending on services is not so erratic. "People postpone replacement of old cars," says Victor Zarnowitz, an economist at the University of Chicago. "For services, you can't do that." Another reason is that the gold standard (ef-fectively abandoned in 1933) often worsened

slumps by weakening the banking system. Finally, economists today better understand

how to combat recession by changing interest rates. Economists are like doctors. Their knowledge and therapeutic powers, although imperfect, have improved.

Gloom over living standards is also exaggerat-ed. Between 1950 and 1970, productivity - the basic source of higher living standards - grew by about 3 percent annually. In the past decade, growth has been about 1 percent. Although that is lousy, it is not stagnation. Up to a point, the new skepticism about the

top to a point, the new skepticism about the future is not bad. Foolish optimism is more than foolish; it is also self-defeating. It promotes care-lessness and irresponsibility. Why worry if the future is fated to turn out all right? This casual approach to things may help explain why Ameri-cans save so little or why American companies often become uncompetitive. Insecurity can pre-vent complacency. Paradoxically, a little less

optimism might be good for America. But describing things as worse than they are can also be self-defeating. It spawns cynicism and obscures the fact that some policies are better, or worse, than others. It fosters unrealistic impatience and creates suspicion of institutions. Obsessive pessimism can be immobilizing for people and for excisions. It promotes precaution-ary behavior --- an aversion to risks --- that can be crippling. A frightened society can talk itself economic stagnation or political crisis. The Washington Post.

Let's See How Islamic Politicians Cope and Learn

WASHINGTON -Is it desirable for the Algerian army, in ca-hoots with the defeated old ruling party, to there at make the scattle grass-roots victory of Islamic fundamentalists in Algeria's recent parlia-mentary elections and prevent funda-mentalists from coming to power? That is the question now posed for the Muslim world and for Western policy. The answer should be an empha

The world, and especially the

The Islamic victory should not be grounds for panic, and the election

must not be annulled. Indeed, it is

the West, have something to say about the nature of relations between God, man and the political and moral environment we live in. Despotic Middle Eastern regimes have oppressed and repressed Islamic politics for decades, especially when these

The chances are that West, has to come to terms with Islamic politics whether it likes it or not, especially when Islamists win in electoral politics will democratic elections. Or is democraprofoundly moderate cy great only as long as the people the West likes win? Is that the political absolutist tendencies. message it wants to send to Muslims about the Western political system?

By Graham E. Fuller

political scene. All religions, even in ulations are fed up with a variety of clitist single-party authoritarian structures over many decades, it is not surprising that Islam should serve as a powerful vehicle of protest.

What should command attention are not the first elections, such as benefited fundamentalists in Jordan two years ago or in Algeria last onth, but the second and third elec-

tions, the fundamentalists had to cut way back on their rhetoric on women's role in society in order to make the gains at the polls that they did.

This is healthy politics —a reflection of constituents interests. Outsiders have a right to worry whether Islamic extremists might now seek to abrogate democracy so that there will be no next elections. But such a move could only severely tarnish the future elect

Of Trouble By William Safire

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WASHINGTON - Last week, W approaching the first antiver-sary of Desert Storm, George Bush again called on the Iraci people to take matters into their own hands and get [Saddam Hussein] out of there ... " That caused much wincthere " That caused initial while ing among the Kurds and Shiites who ing among the Kurds and the coalirose up in the aftermath of the coalition's stop-short victory last winter. They trasted President Bush to sup-

press the Iraqi helicopter gunships, but General Norman Schwarzkopf, in his own word, was "suckered," Mr. Bush, persuaded by Brent Scowcroft and Janes Baker on March 26, 1991 - the tarning point of his presidency - that a Kurdish victory would lead to "dismemberment" of Iraq, allowed the rebels who answered his ouss-Saddam invitation to be slaughtered.

We will hear much this week about the wisdom of the war. Democrats who opposed it were at first embarrassed by its success, and will now disparage its results. Thanks to the moral cowardice of March 26, Mr. Bush snatched defeat from the jaws of victory: Saddam remains in power, persecuting his people, and restored Kuwait remains a feudal fieldom.

Kuwait remains a feudal fieldom. Through all the posterior-covering denigration, let us remember what would surely have happened had America not struck decisively to drive Iraq from Kuwait. Bad enough that Saddam would have dominated the world's supply of oil, driving up the price, adding inflation to recession; much more important, he would ... now be a nuclear power.

now be a nuclear power. That, lest we forget, was what the war was about. Not for the noble spini of collective security, although that was a part; not for "jobs," as James Baker missted, a political hleat echoed thrice in Mr. Bush's recent Japanese rejection; not to allow Kuwait's royal family to force an exodus of its Palestinians; not to exorcise the Vietnam syndrome, making America feel good by flexing its muscular technology. When the debth, was going on be-

fore the coalition struck, the single argument that got through to the American people was this: Saddam, a ruthless minderer and aggressor, was within a year of developing a nuclear device. American security would be at stake, and ultimately American cities at risk of atomic destruction.

Although that was pooh-poohed at ., the time as deliberate disinformation to stimulate war hysteria (the CIA, misleading most of the media, was still in its dream world of "five to:10 years, away"), we now have on-site proof . that Iraqi scientists were well on their way to bomb production. Riyadh, Tel .-Aviv and Cairo would be under nuclear blackmail today, with Paris and New York vulnerable to Baghdad's nuclear-tipped missiles pext year. Thanks to George Bush's coura-

geous initial decision, which a Sam Num's an aba and talk of drays for unworkable sanctions, the world dodged that bullet. Iraqi nuclear production was set back.

But not destroyed. The threat not as immediate, but now more widely understood to be real - has once more begun to grow. Both Imq and Iran are obtaining technology and materials from China and from. KGB renegades, easily hiding it from United Nations inspection teams, Mr. Bush knows that he will have to return to Saddam Hussein, As Manuel Noriega can testify, this American president is better the second time around. He has asked the Joint Chiefs for a plan to strike again. The Pontagon replies: For the coup, try the covert hows across the river next time ----test ye everlasting Gates. Perhaps we will see a UN relief column to the starving, freezing Kurds through Inal teachery, with an actual counterattack if it is stopped; of a similar reaction to a refusal to allow inspectors into areas where mass-de-struction weapons are being made. The military punishment would be accompanied this time by a coordinated internal Arab-Kardish unis-ing (with a free-lance Mossad backup if all else fails, the Scud attacks have not yet been answered). A majority of Americans may not support a war to save the Knrds from genocide. But most Americans would choer overt-covert aid to a Knedish-Shiite uprising to drive Saddam from Baghdad — if convinced that the overthrow would stop a terrorist threat to American citics. Even America-Finsters can handle that. And Imminis planning a similar nuclear buildup would get the message. When? An October surprise would be too obviously political. Much depends on Saddam's cooperative recalcitrance, but some American spooks. expect a balloon up in April or May. The New York Times.

Page 6

Patrick Buchanan's bid for the Republi- He calls for cuts in Social Security and other

health insurance plan of his own; he accuses the governor of trying to appropriate the label without the contents. The Clinton proposal, he says, "is general and it is vague and it does not engage in the debate, which is all I'm trying to do."

Senator Kerrey does indeed have a fully

A Search in Indochina further information. But the Pentagon, too,

The Bush administration may have huried the "Victnam syndrome" in Kuwait, but another legacy of the Vietnam War keeps corroding public confidence in govern-ment: the MIAs. There is httle responsible support for the idea that Americans missing in action are still being held against their will in Indochina, yet polls show that a majority of Americans think they are.

That popular view is now being re-inforced hy sensational allegations from General Oleg Kalugin, a former top KGB official. He claims that U.S. prisoners of war were interrogated by KGB agents in-side the Soviet Union years after Hanoi supposedly returned all living prisoners to the United States. He is to meet with Bush administration officials this week.

The general's story has credibility problems but warrants careful examination. That is what it is now likely to get, thanks to the new Senate Select Committee on POW-MIA Affairs, headed by John Kerry of Massachusetts and Robert Smith of New Hampshire, both Vietnam veterans. The committee also includes Senator John McCain, a former POW. Staff members have already taken sworn depositions from the general.

More than a thousand Americans remain officially listed as missing in action. Vietnam insists that it conceals no Americans or remains. The Pentagon believes that no live Americans are being held, but it presses Hanoi for information on about 100 socalled discrepancy cases, where there is reason to suspect that Vietnam might have

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health care should cost." You can call that fuzzy if yon like. It

skips pretty quickly over some pretty tough questions, just as Senator Kerrey's national spending cap does. But "false advertising?" "Revolting?" That is too much, too soon. - THE WASHINGTON POST.

time to demystify the phenomenon of Islamie fundamentalism and to see it for what it is: a movement that is has a credibility prohlem. In the first years both historically inevitable and polit-ically "tamable." Over the longer run it even represents ultimate political after the war, it did a poor job of publicizing the search, leaving many affected families unconvinced that everything possible was progress toward greater democracy being done. Those feelings of uncertainty and popular government, were further inflamed by a misguided U.S.

Nor will it go away. Islam will always be part of the Middle East

movements have agitated against corruption, arbitrary rule and the old ruling elites. Greater liberalism in several Arah countries in the past few years has facilitated the emergence of Islamic politics as a political force. Like many political movements, Islam has often thrived on the martyrdom of political oppression. Un-derground Islamic politicians could assure their publics that they need

ly has the right stuff to operate on the political scene for long. Because by then the public in the Middle East will see just how well the fundamentalists have handled the mass of intractable problems that plague so many developing countries. The chances are that electoral poli-

tics will profoundly moderate those absolutist tendencies latent in almost any kind of religious fundamentalism. There will always be zealots who refuse to compromise their primipics, but are they politically savvy enough to stay in power?

What will be their policies toward women, who might come out in force next time to vote the fundamentalists out of office if their rights are infringed? In the last Jordanian elec-

Doubts About Bush's Ability to Lead

only "vote Islam" to solve all the

problems that beset them. When pop-

N EW YORK - The Bush mis-sion to Japan was so ill conceived and executed as to raise

fundamental doubts about the president's capacity to manage U.S. foreign policy in the post-Cold-War world. Here is what the trip shows about George Bush. He does not understand that international power now depends on domestic economic strength. And so he went to Japan in the worst possible position - to bash on

hended knec. Neither he nor his closest advisers know the first thing about Japan, perhaps the country that will have the most profound impact on U.S. interests. In their ignorance, they unleashed a whole new level of Japanese contempt for Ameri-

ca, an attitude that could have the direst consequences. He does not get the point that he ought to be fighting to open up markets for American industries that can compete, not for those that do not. Because of that, he used up his chips on American automotive manufacturers, the

least worthy of help. He has not begun to tailor his government toward the new agen-da in world politics, namely the issues of trade and competitiveness and the connections between foreign and domestic affairs. Just look at who did not accompany the

president to Tokyo - Secretary of State James Baker and Carla Hills, the chief trade negotiator. All these Bush weaknesses were hidden by his skillful handling of the Gulf war (until its endgame) and the devolution of Soviet pow-

mocracies of Asia, further unnerve By Leslie H. Gelb a churning China and destroy prospects for freeing world trade.

er. Mr. Bush is good at the old President Bush seemed particu-larly unprepared in Tokyo, arrivsecurity and power issues. He knows how to muscle other naing without a viable trade strategy. tions on such matters, and that is useful - on such matters. But economic issues, the heart of new world polities, are not such matters. Power in this world turns on internal economie strength. By that measure. America is in relative decline — in education, in-

frastructure, the running of many traditional industries and self-discipline. Mr. Bush seems to perceive this central fact only dimly,

can cars in Japan, when the Japanese drive from the right side. Even into his fourth year, Mr. Bush simply is not organized to think about and manage these critical trade and economic issues. His emphasis in staff and structure remains on the old security agenda. That and the upcoming presiden-

tial elections explain why the poli-cy people like Mr. Baker and Mrs. Hills got brushed aside and the Bush pols took over his Asia trip. His judgments on the Japan trip were deeply flawed. The questions are now inescapable: Does he comprehend bis mistakes? Can be change, and lead America in today's world of power and diplomacy? The New York Times.

tions that will tell whether Islam realspects of Islamist groups elsewhere in the region. Algeria has no Iranian-style clerical body to create a Sunni Muslim theocracy. The fundamentalists in Egypt have

learned that only democracy can ensure the survival of Islam in politics, even if it may never ensure its victory. And Islam in Iran, after all, came to power only on the heels of revolution and anarchy, not by the ballot box. There is no doubt that many fundamentalists are not well disposed toward the West. A residue of considerable anti-Western sentiment will always remain in much of the Third World that still feels anger that the colonialism of the past -as well as the present-day Westerndominated international political order - often delivered a raw deal to developing countries.

The West is going to have to live through this phenomenon, both by adopting policies more sensitive to the needs of Third World economies and by demonstrating that the West other, poorer states.

Let Islam come out of the underground and learn to survive in electoral politics as it now does in Turkey, Pakistan and Egypt, Give the process a little time. Political evolution always has rocky periods, but Islamic politics may not be the bo-geyman Westerners fear.

The writer, a senior political scientist at the Rand Corporation, contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Try Swiss Cheese

PARIS --- Somebody has discovered that vaccination is preventive of influenza. This conclusion is arrived at by noting the fact that in the French and Germany Armies, where vacci-nation is compulsory, the number of cases of influenza is very small, compared with the number of cases in civil life. In like manner it might be discovered that ship-wrecks can be prevented by the universal use of Swiss cheese. In Switzerland where everybody cats Swiss cheese, ship wrecks are unknown. Without doubt French and German soldiers are less liable to be attacked by influenza than are civilians but the reason is that they are, as a class, healthier and less liable to take cold.

1917: Athens to Atone

ATHENS --- The representatives of the Allies, now that the Royal Government has accepted the ultimatum of the Entente Powers, maist upon the

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immediate execution of the clauses of the Note of Dec. 31. Among these are the presentation of formal excuses to the Ministers of the Allied Powers and a solemn salute of their flags on a public square in Athens. These expin-tory ceremonies cannot be delayed. The guarantees demanded comprise the transfer to the Morea of the Greek troops in Continental Greece. This operation, which is going on under the supervision and control of officers of the Allied armies; should be completed by Jan. 25.

4

1942: RAF Bombs Bases

SINGAPORE - From our New York edition:] Following up a night raid on the Japanese military base, at Singora, in southern Thailand, 1 during which tons of being were dumped on the target, the Royal Air Force made a daylight raid today [Jan. 13] on Port Swettenham of the west coast of Malaya 25 miles bouilt of Kuala Lumpur, the fallen capital of the Federated Malay States.

He should have been helping to elear away Japanese hurdles to dynamie American businesses that know how to compete - like ser-vices, telecommunications, computers and construction. Instead he hitched his and America's prestige to the hig three automobile whiners, who, along with Mr. Bush, had to be among the select few hlind to the looming catastrophe. These whiners are the guys who

pay themselves more than 100 times their workers' salaries, or 10 times higher than their Japanese counterparts; who raise their compensation even as their companies' profits plummet; who cry about not being able to sell left-hand-drive Ameri-

anese to barbor such feelings toward America. Respect for America helps to contain a Japanese cultural arrogance ever elose to the surface and always threatening. Regard for America helps to anchor a Japanese democracy ever fearful of

being overloaded by conflicts. Mindful of these inner demons. Japan's leaders wanted to stay close to the United States. Their main and unrealized aim for the Bush trip was to form a global partnership. But that idea is now sinking in a new contempt for America that can cause Tokyo to assert itself in ways that all will regret. Clashing Japanese and American

titans could unhinge the fragile de-

What he did in Tokyo proceeded from weakness and not strength. That is why he missed the point that his muscling actually came across as begging. His bashing on bended knee generated only contempt in Japan. And it is deadly dangerous for Jap-

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OPINION

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Who Still Buys the Notion **Of a Providential Leader?**

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By William Pfaff

PARIS -- Oliver Stone's movie on the think that he would have followed the Kennedy assassination contends that had John Kennedy lived he would have successor committed the United States. given Americans a decade of peace. The enemies of peace - arms manufacturers, CIA, Pentagon, who knows else — had him killed because they wanted war. This is the conspiratorial interpretation of his-tory at its most childiah, but it also ex-presses a belief in the providential man in-nolities — the here who could have politics — the hero who could have changed everything had he only survived. It is a soft-left version of the right-

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wing Führerprinzip. All depends on the hero-leader, whose vision is beyond that of other mortals. Contemporary history has amply demonstrated that this is an approach to politics that more often than not has ended badly.

The argument that President Kenne-dy was a thwarted peacemaker must deal with the historical fact of John

Kennedy acted on advisers' views of Asian communism.

Kennedy as war-maker. He told James Reston of The New York Times, after his encounter with Nikita Khrushe bullying at the Vienna summit in 1960, that he was going to make American power "credible" to the Soviets and that

power "credible" to the Soviets and Inat "Vietnam is the place." He increased the number of American troops in Vietnam to 800 "advisers" in 1961, rising to 16,000 by 1963, with American air units by then flying com-bat missions disguised as training for the South Vietnamese air force. Other U.S. forces took an active part in the war as early as the summer of 1962, when I spent time at a Special Forces encamp-ment near Ban Me Thuot, in the highlands north of Saigon. They were work-ing with a force of Montagnard ab-originals whom they had themselves recruited for intelligence work and inter-

diction of the Victory supply lines. The CIA had an operation in the same area carrying out long-range patrols into Communist-controlled northern Indochina (possibly into China itself). I watched one such patrol loading up in an unmarked C-46 with a Chinese pilot in civilian clothes. They were saited up in American fatigues with the usual American arms but wore no insignia. Some were Asians, some Americans or Europeans. They certainly were not go-

ing north to give advice. It is a tenable argument that had President Kennedy survived he would eventually have reversed the course he was on and withdrawn U.S. forces, allowing South Vietnam to fall to the Communists. He was an intelligent and courageousman and had no reason to feel the blustering doubts about America as "pitiful, helpless giant" that afflicted both Lyndon Johnson and Richard Nixon.

There is, however, more reason to

The people he sought out to advise him - Dean Rusk as secretary of state, Robet McNamara at Defense, McGeorge Bundy as national security adviser, Maxwell Taylor as the president's spe-cial military adviser — all believed that the war in Vietnam was the crucial ele-ment in a much larger stroggle with Communist China that would decide the course of 20th century history.

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There is little evidence that the president took a different view. After hearing a deeply pessimistic assessment of the war from Senator Mike Mansfield in late 1962, he indicated to Kenneth O'Donnell, an assistant, that if he were re-elected in 1964 he might withdraw U.S. forces. To say that he would actual-

ly have done so is speculation. Both Mr. Kennedy and Mr. Johnson acted on the beliefs about communism in Asia held by the majority, or at least the majority of the most influential, of Amer-ican foreign policy specialists at the time — the foreign policy "establishment." It is both abistorical and naive to think that the policies of either administration were unrepresentative of either eithe opinion or, at least until the time of the Tet offensive in January 1968, of what the majority of the American people thought about the menace to the United States of a unitary "Asian communism."

To argue that the prosecution of the war after Mr. Kennedy's death in 1963 was the result of conspiracy among criminally disloyal officials and soldiers canimality individual and solutions and solutions is an implicit attempt to re-establish the populist myth of Ameri-can impocence — of an America that goes wrong only because bad men de-ceive and manipulate a good people, killing the hero who might otherwise have caused them. It turns arout from the have saved them. It runs away from the serious question, which is why the American policy elite, and the American and press, and press, and the Antarten acting with good intentions, should have gone so wrong, and done so much evil. The presidential system in the United States tends to reinforce the heroic con-cention of history and politics the heliof ception of history and politics, the belief that everything depends upon the quali-tics and decisions of a providential leader. It is a distinct national political akness, responsible for a personalization of our politics to the neglect of issues, and in recent years producing a massive trivialization of political debate. It also undermines the conception of It also undernances the conception of national responsibility: that we have a collective responsibility for what hap-pens, and has happened, to our country. Mr. Stone's message is that we, the peo-ple, are not responsible for our history. We are innocent, the victims of conspira-tor. But only children are innocent and

tors. But only children are innocent, and America is supposed to be grown up now. International Herald Tribune.

Los Angeles Times Syndicate.

A Hand for the Republics Regarding "Give Russia the Tool of Expert Help" (Opinion, Dec. 28):. A.M. Rosenthal's call for a new

M INNEAPOLIS — He was born in a castle built by his father, the great Georgian writ-er, in the middle of the Georgian capital of Tbilisi.

There were exotic plants inside the castle. Pea-

cocks strutted on the grounds, and small, fright-ened roe deer ran back and forth. The boy was surrounded by the shadows of great Georgian medicval kings who had united the country by

sword and who made little Georgia an Asiatic

The boy was wearing a Circassian coat: a long-waisted white outer garment with a silver dagger on the belt. It was a national Georgian costume

which at that time no one wore except dancers. But then Zviad was groomed from an early age

to be a national figure. He was only a youth when his father decided to make him a patriarch of Georgia, the shepherd of our church. Nothing came of it, however. Neither the Communist nor

the religious authorities wanted such a shepherd: For the Communists he was too anti-Soviet, for

the clergy, too unpredictable and unmanageable. So Zviad became a dissident --- in fact a virtual

patriarch of Georgian dissidence. In 1978, the U.S.

Congress even supported his candidacy for a Nobel Peace Prize. He was arrested several times and

"Business Peace Corps" to help reorga-nize the Commonwealth of Independent States again demonstrates the relevance of the Marshall Plan in the current situation. The Marshall Plan's Technical As-

sistance Program was paid for by tax-payers but run largely by the American private sector for the benefit of European industry, agriculture and services. It aimed to raise production, productivity and competitiveness, and did so by a vast effort of information, exchanges and hands-on demonstrations. Just how successful the program was in the short term is open to dispute. Its assumption that everyone's problems could be solved just by following the

American way would not be appropriate today. But its psychological impact in fostering cooperation, positive attitudes to change, and faith in the future has never been doubted. A now forgotten aspect was the constructive role it assigned to trade union participation; what has become of the 190 million this ship for that embassy, or sell outside for hard currency. Only fixed assets within each republic (buildings, air-ports, port facilities, radio and television members of the old Soviet trade union apparatus in the meantime?

The United States continues to reap enormous benefits in long-term goodwill from the Marshall Plan effort. The West should remain outside these calculaas a whole should now reinvent that ex- tions, and would automatically fall to

ample, demonstrating the same breadth of vision and faith in a shared future. As the individual republics. Otherwise Rus-sia will rob the other republics blind. in 1947-48, the consequences of choices made now will long be with us.

D. W. ELLWOOD.

Wassenaar, the Netherlands.

ity for accumulated Soviet debts.

international business and legal experts

should calculate all movable assets (mil-

itary hardware, the entire naval and shipping fleet, Aeroflot, embassies and

consulates abroad, and so on), as well as

debts, and divide them among republics

in a businesslike manner. Each could then decide whether it wished to trade ANDREW T. ONUFERKO. Brussels.

LETTERS TO THE EDITOR

A New UN Force

Regarding "How the United Nations Could Break Up Civil Wars" (Opinion, The former Soviet republics should consider handling the problems stemming from the country's breakup not Dec. 31) by Brian Urguhart: according to historical or political dic-tates (the Black Sea Fleet is a case in I disagree with the view that the United Nations should deploy an interna-tional force to end various conflicts. tailes (the black Sea Freet is a case in point), but as a company going out of business would do. Its owners, the citi-zens of the former Soviet Union (Balts and Georgians included), are each enti-What is required is not a force of intervention but a new, imaginative and dy-namic role by the UN to assist member tled to a share, but also have responsibilstates and others to make a smooth transition toward a new era with viable, To calculate the percentage of popu-lation for each republic is a matter of simple mathematics. Then a team of

pragmatic and conciliatory policies. TSEHAI FIKRE MARIAM Geneva.

This article is an excellent example of breakthrough thinking. Might it not be particularly applicable to Ulster? How badly we need a breakthrough there! JOHN McL. DaPONT. Cork, Ireland. knows that the people love the latest in technology, whether in a car or a thermos.

Perhaps Nepal could provide Gurkha troops to serve as a standing enforcement arm of the UN Security Council. Gurkha impartiality proved itself in both the British and Indian armies. Moreover, revival of this Gurkha mili-

freedom to his suffering people. This was the root cause of his authoritarian

behavior, his intolerance toward criticism, his introduction of censorship of the press, his purges of the opposition and arrests of its leaders (people who had been his cell mates under the Communist regime), his prohibition of other parties. Zviad developed two manias - one concerning his greatness, the other his persecution. Everyone who dared to criticize him was accused of being either the Kremlin's or the KGB's agent, or else a scout for Eduard She-vardnadze, the firmer party boss of Georgia. He read the situation in Georgia as if it were "Life of Georgia," a historical tale written by generations of chroniclers. The pages of this chronicle were full of sad stories about wise and courageous kings who worked to unite Georgia with the support of the people, while feudal noble-men worked to tear it apart. Unfortunately, "Life of Georgia" is regarded as a guiding hight for today in that country, and not just by Zviad Gamsakhurdia. That is why I fear that last week's introduced the composition forces in Dulisi is an victory of the opposition forces in Tbilisi is not the end of the civil war, but only its beginning. Current events contain all the ingredients of the classic historical drama of Georgia: The king (Pres-ident Gamsakhurdia) who tried to unite Georgia was overthrown by nobility (the role now being played by intellectuals, some of them desondants of old Georgian dukes). Some parts of Georgia are trying to secede. Even Mr. Gamsakhurdia's dra-

written a trilogy about this king. Zviad saw him-self as a messiah, a savior sent by heaven to bring kings who were brought down by the nobility usually fled abroad, where they plotted in exile to mount new offensives to retake the capital.

And so the bloody history sometimes defines the bloody future of the people. Reflecting on this dramatic turn of events, though, I wonder if it couldn't have been avoided if only the West, and especially the United States, had extended a timely hand to independent Georgia, if Mr. Gamsak-hurdia had only received the invitation to Washington and other Western capitals that he tried so hard to get. These things did not happen because at that time nobody in the West could dare th annoy Mikhail Gorbachev. And when Mr. Gorba-chev became expendable, it was too late.

Perhaps it would not have mattered. It is possible that no visit to the White Hnuse could have erased in Mr. Gamsakhurdia's memory the vision of his father's castle and the palaces of those Georgian kings on the Mtkvari River.

But pobody on the Potomac even tried to influence the political climate on the Mtkvari. When President Vitautis Landsbergis of Lithuania visited the United States, it helped curb the authoritarian manners of that musicologist. Perhaps the same could have been done for Georgia. Sometimes the mere carelessness of a great nation can lead in the greatest tragedy for a small one.

The writer, o cohomnist for Izvestia for many years, is a visiting professor at the University of Minnesota's Humphrey Institute of Public Affairs. He contributed this comment to The Washington Post.

tary tradition would yield foreign earn-ings for hard-pressed Nepalese villages. **Bloodshed in Croatia**

THEODOR SCHUCHAT.

Even as American officials complain

that Japan has refused to open its doors

to U.S. imports, and notably automo-

biles, we hear that Chrysler's idea of a

hot new model represents, in the words of a man who worked on its design, "a denial state in Detroit" ("Is Chrysler's

New Car for '90s?" Dec. 30). Americans, the article adds, will not buy this car because it is "an old technology car and

an energy hog." If Americans won't buy it, why should the Japanese?

cars. In Japan, the virtues of Japanese

are narrow and highways clogged, add-ing to the attractiveness of small cars,

and gas costs about foor times what it

Anyone who has spent time in Japan

It is time for the United States to stop

DEBORAH FELLOW.

Tokyo.

looking for others to blame and to take

costs in the United States.

responsibility for its failures.

Americans buy Japanese cars because

A State of Denial

Bellevue, Washington.

Regarding "Why This Reluctance to Recognize New Republics?" (Opinion, Dec. 7) by Yelena G. Bonner:

Mrs. Bonner contends that "immediate diplomatic recognition" of Croatia 'could have prevented the bloodshed." Recognition of Croatia, based on ex-

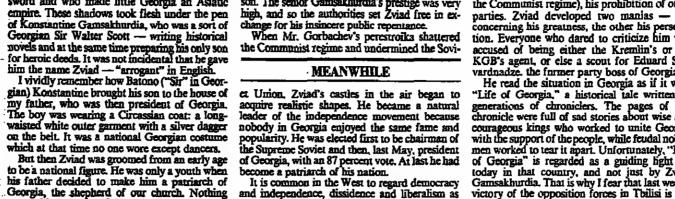
isting borders, would only lead to great-er bloodshed. The present borders of Croatia were arbitrarily set by the dictator Tito (a Croat himself). These borders encompass areas that, prior to 1941, were never considered part of Croatia. The Serbian guerrillas in Krajina are fighting to defend their homes, and not for a "Greater Serbia." They initially armed themselves in September 1990 llowing provocations by Croat police. New borders should be established by

they find them superior to American negatiation, such that a new Croatian state does not include areas populated cars seem even more apparent - streets mainly by Serbs.

GEORGE TINTOR. London.

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It is common in the West to regard democracy and independence, dissidence and liberalism as synonymous. But independent Georgia did not become democratic, and its president — a dissi-dent — did not become a liberal head of state. Life in his father's castle had, in a way, shaped the man who was to reign, however briefly, in the Palace of Government. He looked upon himself as a King David the Rebuilder, the man who united Georgia in the 11th century. Zviad's father had

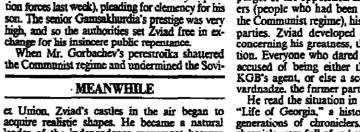
By Melor Sturus

imprisoned under Eduard Shevardnadze's regime,

of Government (the same palace where President

Gamsakhurdia was himself surrounded by opposi-

sing his distraught father to besiege the Palace



The Messianic Dreams of the Boy in the Circassian Coat

Page 7

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International Herald Tribune

No details were provided.

Cheng Yn-tung, purchased Hang Chong for \$890 million.

Analysts said the bid signaled an

attempt by CITIC Pacific to break out of its role as a large but passive investor in local blue chips like Ca-thay Pacific Airways and Macao's

telephone company, to take operat-ing control of a major company.

"If they want to have a greater exposure in the run-up to 1997, I think it makes sense for them to

participate in the daily manage-ment of a big company," said Ed-

ward Chan, an analyst with Chin-

Tung Research International Ltd. CITIC Pacific has expanded rap-

idly in the last year, in what many business executives see as a vote of

confidence in the preservation of the colony as a bastion of capital-ism after it is returned to China in

Just six months ago, CITIC Pa-cific was a little-known Hong

Kong-listed company called Tyl-

full Co. Then the Horg Kong sub-sidiary of the powerful Beijing-based China International Trust &

Investment Corp., which bought a

controlling interest in Tylfull in 1990, began injecting investment assets worth \$400 million.

Tylfull soon changed its name to

CITIC Pacific and quickly began seeking acquisitions that would put it in the same league as such vener-

able trading and investment

"hongs" as Jardine Matheson and Hutchison Whampoa.

As one of Hong Kong's largest See CTTIC, Page 13

1997.





INTERNATIONAL STOCKS **Telecom Listing to Boost** Trading in Singapore

By Michael Richardson niernational Herald Tribune

INGAPORE - The expected privatization of Singapore Telecom this year will create the largest company on the stock market here, and is expected to give trading a boost, but will also deflect some interest from such traditional market leaders as Singapore Airlines, analysts say. In the meantime, declining interest rates, low inflation and a

strong, although slowing, economy should lay the basis for a steady rise in the market over the next six months. Analysts also note that measures are planned to enlarge the market in 1992 and make it more attractive to international investors.

Singapore Telecom, one of a number of government-owned

But the big float

will detract from such

traditional market

Airlines.

leaders as Singapore

statutory boards that are be-ing readied for privatization, is likely to be listed toward the end of the year. Telecom, which provides

telecommunications and postal services, recorded an oper-ating surplus of 869 million Singapore dollars (\$536 mil-lion) on revenue of 2.2 billion dollars in the year to March 1991.

Patrick Russell, research director of W.L. Carr Banque Indosuez group in Singapore, estimated Monday that Telecom would be capitalized at around 16 billion dollars, or higher, immediately after its listing on the exchange. At that value, it would account for nearly 19 percent of the Stock Exchange of Singapore's enlarged capitalization of 86 billion dollars. Mr. Russell said the listing of Telecom, while it would focus a lot of international interest on the local market and improve lignidity was also likely to descure the enlating attempt of events

liquidity, was also likely to depress the relative ratings of current market favorites. Other than Singapore Air, these include Devel-opment Bank of Singapore and Keppel Corp., which has interests spanning ship repair, finance and property development. Mr. Russell said that these companies would "possibly never

recover their former allure."

Another move to increase the international appeal of the market came in a letter published in Singapore's Business Times newspaper on Saturday. In the letter, the stock exchange management said that it wanted listed companies, wherever possible, to raise or review their limits on foreign shareholdings.

BOUT A DOZEN major companies, many of them either local banks or government-linked companies operating in strategic economic sectors, have imposed limits on the proportion of their shares that foreigners are permitted to own. The foreign limit for Singapore Air shares, for example, is 27.5 percent. Because demand for the stock foreigners may own

exceeds supply, these shares trade at a substantial premium over shares held by Singapore investors. Companies with foreign-ownership limits account for well over

25 percent of the market's value. It is not clear whether, or how, the companies will comply with

It is not clear whether, or how, the companies will comply with the request from the stock exchange. However, the exchange management said that placing limits on foreign ownership "im-pedes free trading of shares in the market" and is "incompatible" with the status of publicly-listed firms. Richard Hu, the finance minister, said recently that a number

of foreign brokers would be allowed to trade directly on the Singapore stock exchange starting early this year. Around a dozen Japanese and European securities houses are reported to have applied for a seat on the exchange. At present they must deal through local brokers.

Mr. Hu also outlined other measures to broaden the market in 1992, including the launch of trading in depositary receipts of regional securities on the over-the-counter market, known as CLOB International, and trading in six Singapore-listed stock options and 40 Japanese warrants. Still, Singapore — a trade-dependent island state with a

See TELECOM, Page 13

Macy Delays Supplier Payments By Tokyo By Stephanie Strom

New York Times Service NEW YORK - R. H. Macy & Co.'s announcement that it would be late making its January payments to suppliers sent a shudder of concern through the Nikkei Drops 3%, U.S. retailing community Monday and again called into ques-tion the ability of the department-store company to navigate the difficult retailing climate.

Compiled by Our Staff Fram Dispatches TOKYO — A scandal involving the arrest of a key member of Prime Minister Kiichi Miyazawa's faction In explaining the delay, Macy cited restrictions in agreements with banks that required it to helped send Tokyo share prices sharply lower Monday. reduce its borrowing for a 30-day period that ends Jan. 25. The company said it would resume The 225-issue Nikkei average regular payments after that. shed 685.04 points, or 3.06 percent, to close at 21,696.86. On Friday, the average fell 731.74 points, or

Myron E. Uliman 3d, Macy's vice chairman, on Sunday dis-3.16 percent. The Tokyo Stock Price Index of all issues listed on the first section, which fell 39.25 sed suggestions from suppliers and analysis that the announcement signaled that the company, which is shouldering \$3.7 billion of long-term debt, points Friday, plunged 40.32 points, or 2.42 percent, to 1,619.84. was sliding closer to bankruptcy. An estimated 180 million shares He said the company would soon ontline a "comprehensive game plan" to reduce its debt, which changed hands, down from Fri-day's 225 million. Declining issues outnumbered advances by almost be has described as Macy's biggest problem.

Naoto Kanazawa, a trader with Taiheiyo Securities, said index-linked selling, accompanied by selling by investment trusts, pushed the Nikkei average down. Bombardier "This kind of political scandal added to the already weakening Near Deal for market," Mr. Kanazawa said. Tokyo prosecutors arrested Fu-De Havilland mio Abe, former head of Prime

Renters TORONTO -Boeing Co. is

Minister Kiichi Miyazawa's faction in the governing Liberal Democrat-ic Party. News reports said Mr. Abe was suspected of receiving bribes from Kyowa Corp., a now-bankrupt steel-frame maker acclose to clinching the sale of its de Havilland commuter-air-craft unit to Bombardier Inc. and the Ontario provincial govcused of seeking favors in connecetnment, the Canadian Auto Workers union said Monday. Bombardier, a maker of tion with resort development

Analysts said the market, which had soared after a sudden cut in the trains, planes and snowmobiles, plans to take a 51 perdiscount rate late last year, was cent stake for 51 million Cana-dian dollars (\$44.2 million) and Ontario a 49 percent in-terest for 49 million, said Merv Gray, chairman of the union "It will be hard for many investors to come into the market until the end of the fiscal year in March, which will keep volume thin," said local representing production workers at de Havilland's To-Kenzo Doi of Kokusai Securities. ronto plant. The Ontario government Analysts said heavy selling by

institutions cleaning out portfolios would also cover as much as 100 million dollars in losses for three years, he said.

A particular worry is the roughly 32 trillion yen (\$253 billion) in trust Bombardier has been oegofunds and tokkin specified money tiating for a stake in de Havilaccounts. These accounts were imland since the EC Commission blocked a takeover by Italy's plicated in the brokerage compen-Alenia SpA and France's Aersation scandal that sent the stock market realing in 1991, and many ospatiale in October. of their corporate holders have vowed to unload their shares by

Bocing bought de Havilland from the federal government in (AP, Reuters) 1986 for 155 million dollars.

Macy's high-yield junk bonds were slightly firmer on Monday. Dealers said that the payment delay added to worries about the health of the retailer, but that the delay was not nearly as dire as the rumors of bankruptcy that surrounded Macy's on Friday.

Macy's 14% percent bonds due in 2001 fetched a price of 40% on Monday, after ending Friday at 40. Its 14% percent issue due in 1998 sold at about 52, little changed from Friday's close.

Standard & Poor's Corp. low-cred its rating on \$1.9 billion of Macy's subordinated debt by two notches, to triple-C-minu saying the company's delay in payments has jeopardized its re-lationships with suppliers and

banks, Reuters reported. Mr. Uliman said the plan to reduce debt, the details of which be declined to reveal, would alleviate worries about the compa-ny's financial health and put to rest persistent rumors of a bankruptcy filing. Macy operates more than 140 stores, including the Macy's, L

Magnin and Bullock's depart-

ment store chains as well as several small specialty store chains. Several suppliers said Sunday that they would hold shipments to Macy at least until they received payment, and some said they might not even ship then. Mr. Ullman said the company, which has about \$5.5 billion in

sales a year, was delaying its payments to meet the terms of its \$587.7 million revolving-credit agreement with a syndicate of 40 banks led by Chemical Bank and Bankers Trust Co. Macy's lead lender, Manufacturers Hanover. was merged with Chemical Bank on Jan. I.

The credit agreement, revised in December, requires Macy to reduce its borrowing to \$150 mil-lion for 30 days at any point between Dec. 16 and Feb. 15 and to cut its borrowing to \$75 million for seven consecutive days within that period.

Last year. Macy used a cash infusion from its investors and profits from the sale of its creditcard operations to buy back some of its bonds at a discount See MACY, Page 10

Citicorp, Chase Appear to Be **Turning Around**

By Lawrence Malkin International Herald Tribune

NEW YORK - Citicorp and ed to help Citicorp raise badly needed new capital in Europe. At the same time Chase Manhat-Chase Manhattan, two of America's top money-center banks, retan, the fourth-largest U.S. bank, ported Monday that they had slowed their financial hemorrhaging. Analysts said they might be controlling their problems despite the recession.

John S. Reed, president of Citicorp, predicted to a management meeting that the largest U.S. bank would report a profit this year, af-ter an expected loss of \$450 million for 1001 and other the human for 1991, and said he was bringing in a new head of corporate banking of "proven competence and global

experience." The new appointce was reported to be H. Onno Ruding, former fi-nance minister of the Netherlands. Mr. Ruding is already a member of Citicorp's board, which is expected

reported a turnaround in 1991 of \$520 million in income, compared to its 1990 loss of \$334 million when the bank took \$1 billion of charges in writing down loans and closing unprofitable businesses

to confirm his appointment Jan. 21.

His international stature is expect-

Fourth-quarter income was \$135 million, compared with \$193 million in the final quarter of 1990. Other figures indicated Chase was climbing out of the hole. Loan loss provisions continued high at \$1.1 billion because of the commercial real estate collapse, but they were down from \$1.3 billion the

previous year. In addition, total commercial real estate loans were down to \$8.4 billioo from \$9.1 billion in 1990, and highly leveraged

corporate loans sharply down to \$3.2 billion from \$4.4 billion. "This puts a positive spin on both Citicorp and Chase," said James McDermott, president of Keefe Bruyette, a firm specializing in bank stocks. "It looks like both banks are flirting with stabiliza-tion. The storm should work itself out late in 1992 or early in 1993."

He said Chase had built up capital by profiting from the spread between cheaper credit promoted by the Federal Reserve Board and the charges in its bread-and-butter consumer business.

Citicorp's position also has to take huge write-offs into account. Although precise figures for 1991 will not be reported until Jan. 21, Mr. Reed told a meeting of senior managers that after swallowing about \$650 million in commercial loan write-downs and adding slightly more than \$200 million in loan loss reserves in the fourth quarter, the bank will report losses of about \$125 million to \$150 million for the fourth quarter and \$450 million to \$475 million for the year. It had already reported third-quar-ter costs of \$930 million for laying off staff and writing down bad

The oews strengthened Citicorp's stock by \$1.50 to \$12. Mr. Reed told Reuters that he did not expect an economic turnaround this year that would bail out the

See RATES, Page 11

Many analysis believe that the bank, and that the bank would See BANKS, Page 10

China Plans Maxwells Claim Right to Silence

A Risk for Banks in U.S. Rates By Stephen Labaton New York Times Service according to the Mortgage Bankers of the demise of hundreds of sav-Association. Some fixed-rate mort-

WASHINGTON - The lower gages are as low as 7.5 percent. interest rates that are benefiting U.S. homeowners and other bor-rowers are a mixed blessing for

ations and may even be pushing them into a riskier position. In the short term, the tidal wave of homeowners seeking to take ad-vantage of the lowest lending rates in nearly 20 years by refinancing their mortgages has provided the banks a much-needed increase in income from fees on the new loans. The lower rates have also widened

rates the banks pay depositors and what they charge borrowers, But for the long term, the refi-nancing trend has raised concerns

that many large institutions may be risking significant new losses, Federal regulators, academics and some industry executives fear that banks and savings associations, by locking themselves into long-term mortgages at historically low rates, could be devastated if inflation accelerates in the next few years,

The new rates for homeowners averaging about 8.2 percent for 30year fixed-rate mortgages, led to more than seven times as many refinancings last year as in 1990.

banks and savings-and-loan associ-

the spread between the interest

which oversees U.S. savings associ-

capital but have encountered in-

ations, said that in the next few months his agency would recom-mend ways to reduce interest-rate risks. This becomes more important now than before because of the high volume of fixed-rate mort-

dustry resistance,

ings associations. "If rates go up and funding costs Commercial banks, attracted by refinancing fees, liave been encour-aging the refinancings. T. Timothy Ryan Jr., director of the Office of Thrift Supervision,

Regulators have proposed re-quiring savings and loans with high interest-rate risks to have more

The sort of interest-rate squeeze that regulators now fear is precisely what savings and loans suffered in the 1980s. Revenues from old, fixed-rate mortgages often failed to cover the increasing interest rates they had to pay to attract deposits, which are shorter term, Although deregulation, short-sighted investments and corruption all contribut-ed to the crisis, the negative interest-rate spread is now widely acknowledged as the leading cause

> U.S. \$500,000,000 A National Westminster Bank PLC

exceed the mortgages, then some institutions will have difficulties," said Robert F. Miailovich, an assistant director of supervision at the Federal Deposit Insurance Corp. "That was the problem that got thrifts into trouble, It's not some-

thing that can be bothely ignored." Richard H. Diehl, chairman and chief executive of Home Savings of America, the largest U.S. savings association, said the potential harm from higher interest rates was worrying the industry more than delinquencies, defaults and the declin-

ing values of real estate and other collateral put up to back loans.

"It's probably the greatest risk that faces a lender," Mr. Dichl said.

Bankers and regulators have grown more sophisticated in hedg-ing against interest-rate risk but not protect themselves completely, "We can bedge to reduce the risk against five-year loans," Mr. Dichl said, "But it's very difficult, if oot impossible, to hedge against longer-term loans, such as -year fixed loans. It just gets too ensive."

gages that are being held," Mr. Ryan added.

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By Enk Ipsen International Herald Tribun

Takeover of LONDON - Ian and Kevin LONDON — Ian and Nevm Maxwell repeatedly refused to an-swer questions Monday when they appeared before a parliamentary committee investigating cash miss-ing from the pension funds of their Key Firm in late father's companies.

Lawyers for the brothers, who are sons of the late media mognl Robert Maxwell, said they feared "a premature trial by television." By Laurence Zuckerman HONG KONG - CITIC Pacif-

The first hour of the hearings was taken up by polite but strained exchanges between members of the committee and the brothers' lawyers, who stressed the Maxwells' and inappropriate to answer." Ke-"precious and historie right" vin, too, deferred to his lawyer, who against self-incrimination. the ranks of the colony's top hold-ing companies Monday when it annonneed its intention to take over

Hang Chong Investment Co., a ma-Kevin Maxwell's lawyer, George jor trading and investment house. CITIC Pacific disclosed that it Carman, said that in his judgment criminal "charges are likely and was negotiating for a controlling interest in Hang Chong in a state-ment announcing that its shares on the Hong Kong Stock Exchange had been suspended for the day.

The move came only two months after CITIC Pacific and a consortium of Hong Kong-based business leaders, including the billionaire Li Ka-shing and the trading and prop-erty magnates Robert Knok and the judge; that is why we have judges."

or at the very least to answer written questions in writing and in confidence, the committee chairman, Frank Field, concluded, "We cannot change our procedure to fit in with the request you made."

He then proceeded to ask first Ian and then Kevin Maxwell about their failure to produce any of the docu-ments the committee had requested relating to the pension funds.

Speaking for the first time in the hearings, lan said, "I wish to answer through my counsel." His lawyer then stated that it would be "unfair

Shortly thereafter, the committce adjourned. The brothers risk being held in contempt of Parliacriminal "charges are neary and they are likely to be soon." He said ment, a charge comparable to con-that although his client did not tempt of court. Political sources wish to show disrespect for the said they knew of no precedent for committee he would not answer its such a charge but a conviction could carry a jail sentence.

"The court is already investigat-ing this matter," said John Jarvis, Ian Maxwell's lawyer. "Leave it to the judge; that is why we have well empire, were set back on Sunday night with the announcement

OPCVM 92 PARIS & LUXEMBOURG

GRACE A CETTE CONFERENCE APPRENEZ COMMENT

- Identifier les secteurs d'avenir
- Mettre en place une gestion et un système de reporting efficaces
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20 & 21 Janvier 1992 - Palais des Congrés, Paris 28 & 29 Janvier 1992 - Hôtel Intercontinental, Luxembourg \vec{R} Institute for International Research Contactez Lucile Roguin - 59 112 Boulogne Billancourt Cedex Tél. : (1) 46 03 14 96 - Fax : (1) 46 05 62 96

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After a brief recess to consider that Pearson PLC, publisher of the the Maxwells' request for silence, Financial Times, bad decided against a bid.

> Citing mysteries over the size of pension fund deficits and intercompany loans, Tim Rothwell, an analyst with Barclays de Zoete Wedd, said, "Without more information on how big the black holes are it is difficult to put any value ou the company."

He also ruled out any return to trading in the shares in either MGN or Maxwell Communication in "the foresceable future." In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from January 13, 1992 to July 13, 1992 the Notes will carry an Interest Bate of $4\frac{1}{2}$ % per annum. The interest payable on the relevant interest payment date, July 13, 1992 against Coupon No. 14 will be U.S. \$211.70 and U.S. \$211.70 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$10,000.

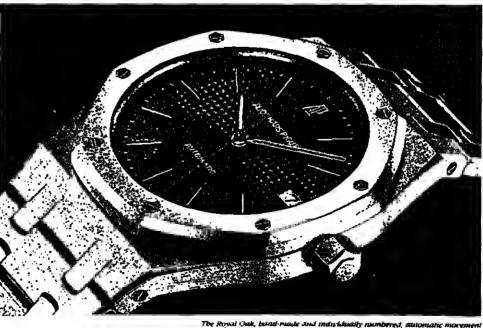
(Incorporated in England with limited llability)

Primary Capital FRNs (SERIES "A")

By: The Chase Manhattan Bank, N.A. London, Agent Bank

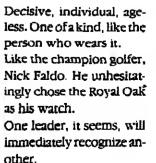
January 13, 1992

ONE OF THE GREAT DESIGNS OF THIS CENTURY. AND PROBABLY THE NEXT.



and reade and industrially numbered, automatic movemer with central rotor in 21-carat gold, water-resistant to 5 am

The Royal Oak is instantly recognized by its unique ocragonal shape. A classic design, totally original in concept, with that extraordinary perfection of finish which is the hallmark of the master watchmakers, Audemars Piguet.







MARKET DIARY

Page 10

Stocks End Lower On Profit-Taking

rities

Renders NEW YORK --- Stocks ended mostly weaker Monday on the New York Stock Exchange as profit-takers nibbled away at the market's recent record-setting gains. The Dow Jones industrial aver-

age declined 13.86 points, to close age declined 15.00 points, to close at 3,185.60. Among the broader market gauges, the Standard & Poor's 500 composite index lost 0.76 to 414.34. Volume slipped to

N.Y. Stocks

200.27 million shares from 236.1 million Friday. In the over-the-counter market, the Nasdaq index gained 1.93

points to 617.63. Oil and banking stocks were the features of an otherwise subdued session. Traders said a revival in 1992 carnings estimates. crude-oil prices lured buyers to the battered energy sector.

"It doesn't take much in the oilprice recovery to motivate inves- eral news reports said Dow Cortors to buy oil stocks," said Robert ning Wright rushed products to Stovall, president of Stovall/21st market and misled physicians on Advisers.

Banking stocks, led by Citicorp, edged higher after several issued news that did not meet Wall Street's worst fears. "All the bad news seems to be out on the banks," said Edward Shopkorn,

Dollar Drifts Lower As Market Seeks Trend

Compiled by Our Staff From Dispatches NEW YORK - The dollar 25. According to one line of specuclosed lower Monday in New York after a day of trading within nar-row ranges. Many market participants were still licking their wounds after last week's volatile markets. swings. Tom Moore of American Ex-

Foreign Exchange

press Bank said the dollar had the potential to reach 1.61 Deutsche marks if it could break through resistance round 1.5820 DM. The dollar probed the 1.5800 area on Monday but pulled back each time. Mr. Moore said if the dollar fell

through technical support at 1.5680 DM, it would probably test the next support zone at 1.5520. The dollar closed at 1.5780 DM, he expected no further rise in Eurodown from 1.5845 at the close on

pean interest rates. Friday; at 127.055 yen, down slightly from 127.100; at 1.4052 Swiss francs, down from 1.4128, and at 5.3840 French francs, down

from 5.4075. The British pound rose to \$1.7985 from \$1.7885.

The dollar had traded close to 1.5 DM after Germany raised interest rates and the U.S. cut rates in late December, But there was a 5 percent advance on Thursday and Friday last week.

The British Some traders were oervous about \$1.7980 from \$1.8015 on Friday. taking positions before the Group

consolidation," said Gene Jay Seagle of Gruntal & Co. "The market's 359 been losing momentum for several days now, but I think this is just a temporary affair." Citicorp jumped 11/2 to 12. Its fourth-quarter forecast was within analysts' expectations. It also an-

managing director at Mabon Secu

"We're going through a minor

nounced a management change and said its credit problems had stabilized First Chicago cut its dividend

J A S O N D J and posted a fourth-quarter loss. Its shares added ¼ to 24%. Chase Manhattan, which reported improved 1991 results, gained ¼ to **NYSE Nost Actives**

MCI Communications fell 2% to 31%. PaineWebber lowered its Corning Inc. sank 10% to 68% amid fears about possible liability suits over its breast implants. Sev-

59673 41722 27731 24449 19591 17499 17347 17147 15365 14673 14673 14673 14673 14673 14673 Cornin GnMotr RoyiD FordM Wendvs CrawE FstChic Syntex s Mobil Dil stocks that gained included Royal Dutch, up 1% to 81%, Atlan-tic Richfield, up 2% to 104%, Chev-ron, ahead 2 to 68%, Mobil, up 1 to 65%, Elf Aquitaine, up 1 to 33% and Amerada Hess, ahead % to 45%. **AMEX Most Actives** EnzoBi Amdihi Biophim PinRsc PW Nik pw BoirPh BoirPh Bihav EksNik wi Westoir Hilhav ENSCO A-ott2 sc ICN Bio PoliCo S Holsey

572997 4 55 7 111 30 29 4 + 14 +24 + 34 NYSE Diary of Seven meeting that begins Jan Close Pre lation, European nations want the 15110114 101114 469 1073 456 2210 122 dollar to be well-supported so that U.S. products do not get too much Declined Unchanged Tatal listues New Highs New Laws of a pricing advantage on global There have also been arguments that a firmer dollar would ease ten-Amex Diary sions in the European monetary Close Prev. system that result from relatively 305 259 47 1122 225 Advanced Decilined Unchanged Total Issue New Highs New Laws high German rates. Leon Brand, currency analyst at Bear, Stearns & Co., said that in time the Germans would lower interest rates but per-

Via Associated Pres

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The Dow

Daily closings of the Dow Jones industrial average

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MASDAQ Diary haps not before one last increase. In Paris, meanwhile, Finance Minister Pierre Bérégovoy said the dollar's level currently was agree able to all parties concerned. At his annual press reception, he also said

MACY: Firm to Delay Payments The dollar held in a narrow range in quiet European trading. (Continued from first finance page) Some dealers said the upward move and otherwise reduce its debt by was thinly based and not likely to about \$2 billion. But no investors last. Others contended that the dolhave as yet stepped forward this year with similar help, and the lar was on a roll and would attract

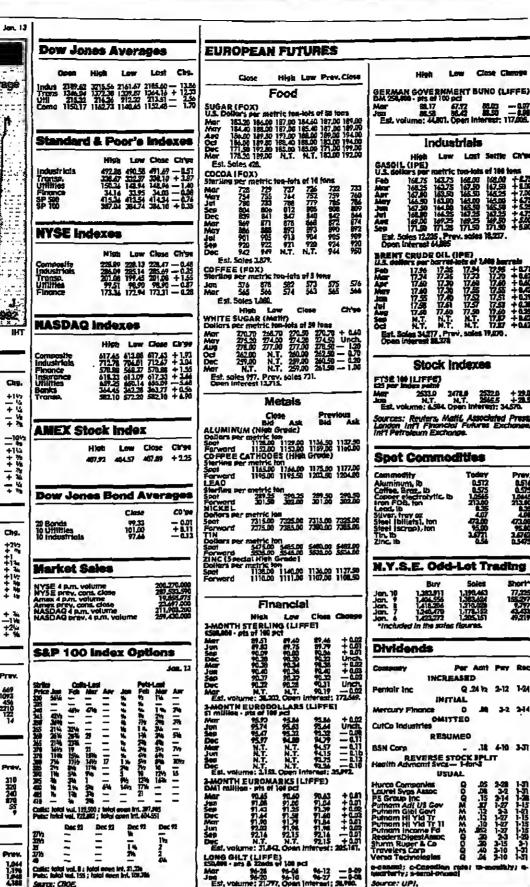
company still needs to convince the The dollar ended in London at 1.5763 Deutsche marks, up slightly fmancial and suppliers' communifrom 1.5750 at the close on Friday. ties that it has a new strategy to and at 126.915 yen, a slight easing address its problems. from 126.950. pound dropped to

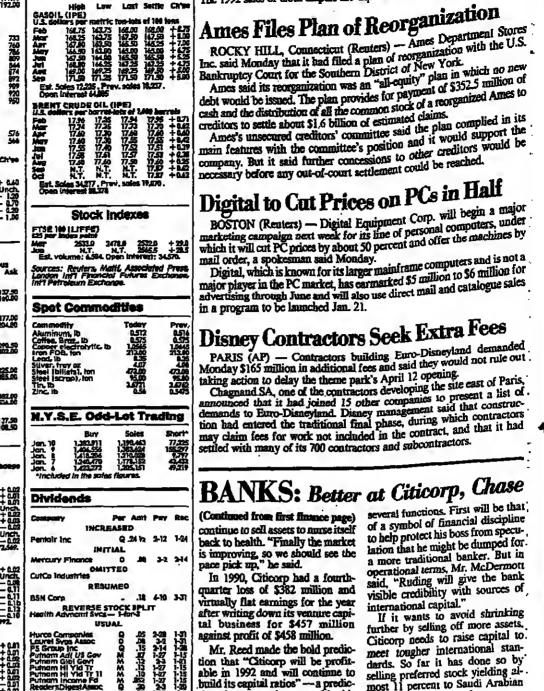
uay season were less than the com-pany had expected, and the levels of returned merchandisc have been ago. (Reuters, Bloomberg)

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INTERNATIONAL HERALD TRIBUNE, TUESDAY, JANUARY 14. 1992





U.S./AT THE CLOSE Gerber to Cut 900 From Work Force

FREMONT, Michigan (AP) — Gerber Products Co. said Monday that : it would eliminate 900 jobs from its 12,000-person staff and take a one-time, \$16 million charge content is 12,000-person staff and take a onetime, \$16 million charge against third-quarter earnings as the company closes its cloth dianer against third-quarter earnings as the company

tume, 310 million charge against three-quarter and captured most business. Gerber said low-cost, imported cloth diapers had captured most business from such large customets as diaper services and hospitals. A spokesman said Gerber had sold \$50 million in cloth diapers in its 1991 financial year. The 1992 sales of cloth diapers are expected to be about \$30 million.

ROCKY HILL, Connecticut (Renters) - Ames Department Stores

main features with the committee's position and it would support the company. But it said fractions the state of the state company. But it said further concessions to other creditors would be necessary before any out-of-court actilement could be reached.

BOSTON (Renters) — Digital Equipment Corp. will begin a major marketing campaign zext weak for its line of personal computers, under which it will cut PC prices by about 50 percent and offer the machines by mail order, a spokesman said Monday

mail order, a spokesman said Monday. Digital, which is known for its larger mainframe computers and is not a major player in the PC market, has carmarked \$5 million to \$6 million for advertising through June and will also use direct mail and catalogue sales in a program to be launched Jan. 21.

Disney Contractors Seek Extra Fees

may claim fees for work not included in the contract, and that it had settled with many of its 700 contractors and subcontractors.

BANKS: Better at Citicorp, Chase

tion almost certain to cost him his job if it fails to prove true. Mr. Ruding's position as Mr. Reed's right-hand man will serve

several functions. First will be that of a symbol of financial discipline to help protect his boss from speculation that he might be dumped for-a more traditional banker. But in operational terms, Mr. McDermott said, "Ruding will give the bank visible credibility with sources of

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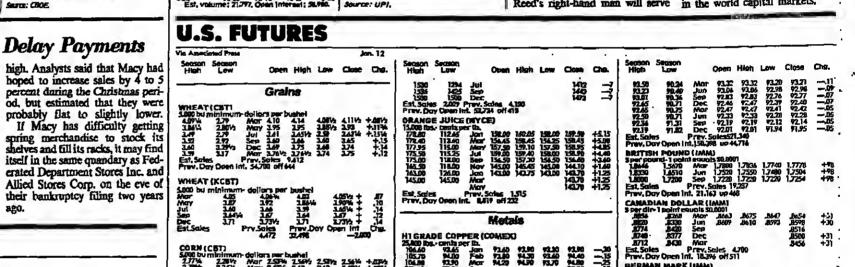
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N. CHENG

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international capital." If it wants to avoid shrinking further by selling off more assets. Citicorp needs to raise capital to. meet tougher international standards. So far it has done so by selling preferred stock yielding al-. most 11 percent to Saudi Arabian investors, a charge on future earnings that would weigh too heavily if enlarged, Hence Mr. Ruding's role: in the world capital markets,



WORLD STOCK MARKETS

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wage talks ended in failure. The strike threat is the climax of a

battle of words that has pitted unions against the government, the Bundesbank and industry, which all argue that excessive pay raises this year could cripple the economy. After 15 hours of talks, IG Me-

tall in the early hours of Monday rejected an average pay raise of 5.2 percent for the year from October 1991. The union has been pressing for a raise of over 10 percent.

The chief union negotiator, Lorenz Brockhüs, said IG Metall's board would meet Tuesday to set a date for a strike ballot. The steel sector has not struck since 1978-79. The government and the Bundesbank have campaigned fiercely for wage moderation this year to ensure that pay raises do not exceed productivity growth just when Germany needs all available resources to help finance Eastern Germany's reconstruction.

The current steel pay talks are technically the tail end of the 1991 wage round. But as the dispute drags on into 1992, markets increasingly believe that this settle-ment will send a signal to the rest of industry for this year's pay round. German banking unions plan token strikes starting this week to support their 10.5 percent wage de-

Thomas Mayer, Germany economist at Goldman Sachs & Co., said that steel companies, facing falling demand due to recession in major markets, might risk a strike rather than agree to a pay settle-ment they could not afford.

He also said any agreement reached in the steel sector was likely to be exceeded in other more robust industries that are less willing to lose production.

"From the industry point of view a strike is not such big problem," Mr. Mayer said. The steel industry "is generally weak at the moment so the employers would probably come out of it better than the unions." be added.

(Continued from page 1)

Joseph Tragert, an economist with

PlanEcon, a Washington-based

consultancy on Eastern Europe.

trends, however, analysts say there

Looking beyond the immediate

A Land Rush in Booming Warsaw

Scarcity of Commercial Space Sends Prices Spiraling

The Associated Press

WARSAW -- Thousands of new Polish businesses and Western companies are scrambling for office space in Warsaw.

Sales prices are at shocking levels in a country where cash transactions are the norm and home mortgages have yet to be developed. Rents range from the equivalent of \$38 to \$56 per square foot (about \$400 to \$600 per square meter). By compar-ison, in New York's depressed market, prices are about \$25 to \$35 per square foot, a drop of about 20 percent from the peak a few years ago. Commercial real estate is especially costly be-cause there is so little of it, said Marc Bushala of

the Chicago-based Golub & Co., which is involved in two high-rise developments in Warsaw. Central Warsaw was reduced to rubble in World

War II, and the building industry was trapped in the Communist time warp until two years ago, when democratization efforts began. Now the rush for property is on.

An estimated 60 percent to 70 percent of central Warsaw still belongs to the city because of proper-ty nationalization after World War II, said Waldemar Kalinowski, a property manager for the gov-emment. He said applications for commercial leases were so numerous that the city started holding competitive anctions in May 1990. Now only a

few undesirable properties remain. The tight demand has been a blessing for real estate owners, who have seen their assets surge in value. It has also attracted Western developers

who are trying to capitalize on the property boom. Golub is working with A. Epstein & Sons Inter-national on the 10-floor Warsaw Corporate Center across from the bustling new Marriott Hotel. They are also putting up a headquarters for the National Bank of Poland that includes 34,000 square meters (380,000 square feet) of space for lease to other companies.

Swedish and Norwegian developers have entered a \$140 million agreement with the state railway to build an office, hotel and shopping complex in the city center. Austrian and German investors also have projects going.

As a result, construction has become one of the astest-growing segments of Poland's private sector. But local contractors say they face shortages of skilled builders, equipment and materials for big projects, and much is imported, including work crews from Yugoslavia, the former Soviet Union and Asia.

Even the new projects may not be enough to satisfy the appetite for office space. No noom is available at one bulwark of socialist real estate ---the 37-story Palace of Culture and Science, a tiered skyscraper built in the 1940s as a gift to the warravaged city from Stalin. It houses about 90 private companies, including a casino, Motorola Inc. and Coca-Cola Co., said Dannta Kuzdak, the chief of administration for the state-owned building.

"We have nothing available unless somebody moves out," she said. "We get so many offers that I cannot keep up with them all."

Snecma May Seek Foreign Capital

PARIS --- The French jet engine maker Snecma may seek the capital it needs from nongovernment or foreign shareholders, its chairman said Monday.

A spokesman said Snecma had repeated a request to the government, which controls the con for 750 million francs (\$140 million) in new capital to finance research and development. The request was

first made nearly a year ago. The chairman, Louis Gallois, said either the government would probe around break-even.

vide the money or it would decide that Specma should find extra capi-"We can't say today if it will be slightly positive or slightly negatal from outside. "The hypothesis of tive," he said. private or foreign shareholders is

In 1990, Snecma reported group net profit of 208 million francs. not excluded a priori," be said .. Asked if the scenario could in-Last year, the engine maker had clude General Electric Co. of the to struggle with the impact of fewer United States, with which Soccurs aircraft orders from airlines, a slump has a engine-building venture, he in replacement markets and reduced replied that he did not want to go military budgets worldwide. While Snecma alone would show

beyond the current state of the talks. Mr. Gallois also said that group revenue for 1991, adjusted for ina net profit of between 50 and 100 million francs, compared with 77 flation, was slightly ahead of the million in 1990, losses at various subsidiaries would drag the group result down, Mr. Gallois said. 1990 figure, but that profit would

Pirelli Posts Loss, **Details Stock Deals**

on 32 percent of the stock of Continental from Mediobanca SpA at 60 MILAN - The Italian tire and cables group Firelli SpA, reporting Monday a large loss for 1991, de-Deutsche marks (\$38.46) a share. On Monday, the company's shares closed at 219 DM on the Frankfurt tailed for the first time the stock options it purchased in connection stock exchange.

Pirelli also also confirmed that it with its failed bid for the German held another option on the 2 percent of Continental stock bought Pirelli said it bought an option by Fizt SpA.

Pirelli detailed the options in a letter to shareholders that disclosed that the company had a net loss of around 690 billion lire (\$583 million) last year, slightly wider than the 670 billion lire the company had forecast. Pirelli, which had a profit of around 150 billion lire in 1990, said it expected to return to profitability in 1992.

The company also said its net debt stood at 3.6 trillion lire at the end of 1991, compared with share-PARIS - The two U.S. bolders' equity of 3.5 trillion lire computer makers vying to be-come a partner of Compagnie calculated on current value. Pirelli said the failed merger had

des Machines Bull both agreed cost it 340 billion lire, including to take a symbolic stake in the 13g billion lire in compensation to French company if they were chosen, Chairman Francis Loits allies who bought Continental stock in support of the Pirelli bid.

rentz said Monday. International Business Ma-Mediobanca proved to be the most important of these allies, re-ceiving 55.7 billion lire in compenchines Corp. and Hewlett-Packard Corp. are in the runsation for the fall in the Continenning to forge an accord with Ball on RISC, a technology tal stock price.

When talks on the merger colthat improves the speed and lapsed in December, Pirelli dis-closed that it had agreed to reim-"The agreement will be conborse its allies for any losses they solidated symbolically hy a modest stake in Bull," Mr. Lomight incur.

Pirelli said that after a previously announced 18-month restructuring program, its shareholders' equity should rise to 4 trillion lire.

erating loss to be about one half of 1990's operating loss of 2.35 billion francs (\$440 mil-It said its 518 billion lire capital increase was scheduled to be launched in the March trading lion), due to a restructuring month. The offer is being made on plan the group put into effect the basis of one share for every two ordinary or savings shares beld, or one for every four convertible 9.75 percent Industrie Pirelli bonds.

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Very briefly:

Sources: Reuters, AFI

Nestle SA said it had wanted to bid for Source Perrier SA and had been prepared to pay 15.5 percent above Perrier's current price, but had been thwarted by Italy's Agnelli family.

· Messerschmitt-Bölkow-Blohm GmbH will lose about 1 billion Deutsche marks (\$631 million) in annual sales between 1993 and 2005, compared with 1990 sales of 4 billion, as a result of military budget cuts.

. France's arms industries will cut up to 18,000 jobs this year out of 250,000 people directly employed by public or private weapons makers, Defense Ministry officials said.

• Automobiles Pengeot, a unit of Pengeot SA, had a slight decline in sales last year, to between 9g billion and 99 billion francs (\$12.3 billion), and its profit was below 1990's 6.4 billion francs.

Hongkong & Shanghai Banking Corp. denied a news report that it would put its 14.7 percent stake in Britain's Midland Bank PLC up for sale.

· EMCOM, a joint venture operated by Siemens AG and two Romanian companies, has won an order from Romania's ROM Telecom to deliver 220.000 hook-ups to a Siemens switching system.

 Tomkins PLC reported a 40 percent rise in pretax profit, to £43.7 million (\$77.8 million) in the six months to November.

Bilfinger & Berger AG bought Bammion Potsdam GmbH, an East Buildinger & Berger AG bough Balance A Straininger & Berger & B

Liquidation Order Awaited for BCCI

Reuters

LONDON — High courts in Britain and the Cayman Islands are expected on Tuesday to permit regulators to liquidate the scandal-hit ank of Credit & Commerce International.

The decisions are likely to be little more than a formality, following a Jan. 3 ruling by a Luxembourg district court that liquidated BCCI operations on its soil. "It is almost certain to go into liquidation tomorrow," said Christopher Morris, the provisional liquidator in Britain. The bank was closed down last July in a swoop by regulators in 62

Sales Up, Orders Down at Aerospatiale

. Compiled by Our Staff From Dispatche

PARIS - Acrospatiale's revenue rose 15.8 percent to 38 billion francs (\$7 billion) in 1991, but orders blunged, the president of the state-controlled French aerospace company said Monday. The executive, Henri Martre, said be expected "pos-

itive" profit figures for the year, and added: "I am more optimistic than a year ago." Acrospatiale, the French partner in the Airbus and ATR ancraft consortiums, had net profit of 38 million francs in 1990. But he added that the dollar stood at a very low level

on Dec. 31, 1991. A low rate tends to depress foreigncurrency profits when expressed in francs. Orders for 1991 fell 45 percent to 28 billion francs

because of the Gulf crisis, the generally poor economic situation and cuts in the French military budget, Mr. Martre said. He said he remained optimistic about orders and said the order book was currently worth 100 billion.

francs, representing two-and-a-half years of work. increase in delivery of civil aircraft. (AFX, Reuters)

able agreement.

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PARIS --- The French sugar and food-oil group Béghin-Say SA said Monday that it had agreed to buy the specialty food group Ducros for

enne of 1.6 billion francs (\$300 milhion), Beghin-Say said. Beghin-Say is controlled by Eri-

Ferruzzi said it hoped the pur-chase would establish it in markets "with stronger added value and big growth rates." It said Ducros brought complementary technol-

(Reuters, AFP) countries which followed allegations of widespread fraud. This announcement appears as a matter of record only. December 19, 1991 New Issue

GERMANY: Preparing to Lead in Eastern Europe TRADE: Bush Turns Up the Heat ments, many tend to be responses panies that remain heavily depen-dent on Eastern contracts. Nearly 27 billion DM now cov-

to particular business opportuni-tics or seem oriented toward fairly rapid exploitation of niches, anaers business in the former Soviet

Union alone and there are applica-By contrast, German investment tions for another 25 billion DM. rvolves seed money for situ-Geom

(Continued from page 1) solutions to offer on my own," he

Rufus Yerxa, the chief U.S. trade negotiator in Geneva, said the Dunkel proposals represented bottom c on the

GATT officials say the EC could shift to direct subsidies to farmers as long as they do not significantly distort world trade.

Ironically, after a year-long EC campaign to convince other nations that its reluctance to accept

ast year He declined to give any estimate of the net result. Béghin-Say to Buy Ducros Group

dania of Italy and is part of the Ferruzzi Finanziaria SpA group.

ogy for other subsidiaries, such as Lesieur and Carapelli, grouped

Compiled by Our Staff From Dispatches In 1990, it had consolidated rev-

The family-owned Ducros is the

The rise in revenue last year was due mainly to the

undisclosed terms, leader in France, Italy, Spain and Portugal for spices, herb tea, condi-

ments and baking products. Founded in the early 1960s by Gilbert and Marc Ducros, the compa-ny has 60 percent of the market in France and Portugal, 40 percent in under the Medeol holding compa-Spain and 30 percent in Italy. ny. (Reasers, AFP)

special long-term and broadbased dimension to German interest in the East. The classic exchange of German technology for Eastern resources and labor is still so compelling that the newly widened access to the East is something few German businessmen an long ignore.

East European wage levels may be of particular interest as the years go on and as German wages, al-ready nearly the world's highest, keep nising. Across the border in Czechoslovakia, a well-educated work force is available for roughly one-tenth the cost, according to the German Trade and Industry Association.

"The East is our natural market," said Heinz Schimmelbusch, chairman of Metallgesellschaft AG, one of many German companics that have trade and investment ties going back a century.

While there have also been major French, U.S. and Italian invest-

late trades et

Monday's Closing

(Continued)

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect e trades elsewhere. Via The Associated Press

fit from the fact that German ations that companies want to develop over the long term.

long haul and will not leave in a crisis," said Mr. Kitterer at the industry association.

This long-term interest has both encouraged and been encouraged by the German government, acute-ly aware that Germany is more threatened than any other power if economic collapse leads to political unrest in Eastern Europe.

As a result, Germany is by far the largest donor of official aid to the East; many forms, ranging from trade guarantees to housing construction for departing Soviet soldiers, benefit German business.

lysts say. ...

The Hermes export insurance program provides the most crucial support and government officials. have made vast amounts available to help maintain German business in the East, particularly for the benefit of ailing East German com-

top over the long term. The Gennans are there for the ing financial backing for their Ostpolitik in the 1960s and 1970s, have played a key role in opening up Eastern markets and in pioneering such mammoth projects as Soviet natural gas pipelines to the West. strengthen the disciplines and lead to greater market liberalization."

While they are likely to be somewhat more careful about lending in the near future in the aftermath of Russian reschedulings, the German banks have steadily focused on the area's long-term economic poten-

tial. The German bankers are particularly insistent that interest payments be maintained in order to keep channels open for more business in the long term.

ously improved." EC officials argue that the Dun-Otto Wolff von Amerongen, the chief Soviet expert of Germany's industry associations, told Boris N. tel package would prevent them from offering significant trade-offs to European farmers in return for Yeltsin a month ago that one of the best ways to stabilize Russia's debt going along with a major overhanl of the costly and inefficient Comproblems would be to deepen business ties with Germany even furmon Agricultural Policy. But ther.

significant cutbacks in farm subsi key farm subsidy issue. The United States strongly bedies should not be blamed for a breakdown in the trade talks, the lieves that, if there are changes to vocal French position has put the be made, they should serve only to onns squarely on Europe's shoul-

ders all over again. "The EC simply seens incapable of getting its act together." a GATT official said. "It's still our But France, which has taken the hardest line within the European Community, vows to resist any fur-ther concessions and insists that it major headache."

has enough support among other EC countries to block an unaccept-The chief EC delegate, Tranh RATES: Van Thinh, told trade negotiators

A Risk for Banks that the Dunkel package presented "serious difficulties for the Community, above all in agriculture, (Continued from first finance page)

where the draft text must be serisurge of refinancings will grow

stronger in the first few months of this year - particularly if interest rates are cut again -as millions of homeowners realize how much they Can save.

A report by Erie I. Hemel, a banking analyst at First Boston, concludes that \$1 trillion in fixedrate mortgages at rates of 10 percent or higher stands to be refinanced.

DIV YIS PE TOT High Law 4 P.K Cha Since the savings-industry deba-cle of the mid-1980s, banks and regulators have developed new techniques to protect against higher interest rates. A large volume of mortgages is being sold to other lenders, including the Federal National Moregage Association and the Federal Home Loan Moregage Corp., which then spread the risk by repackaging the loans as securi-ties that are sold to institutional and individual investors.

Still, experts say interest-rate risks are greater than ever. Commercial banks are more heavily involved in real estate lending than ever before --- doubling their exposure in the last decade alone.

Analysis say many ailing banks are clearly taking on greater risks in an attempt to bolster their battered financial statements over the short term

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אריין אריי אריין אריי אריין אריי The undersigned amounces that as from 24 January 1992 at Kas-Assoriatic N.V., Spuistrant 172, Ansterdam, div. cp. no. 71 of the CDBs Xerox corpo-ration, each repr. 1 share will be payable with Dils. 108 net. (div. per rec. date 12:06:1091; gross \$ 0.75 p.sh.) after deduction of 15% USA-tax = \$0,1125 = Dils. 0,19 Div. cps. be longing to non-midents of The Nether-lands will be paid after deduction of an additional 15% USA-tax (= \$0,1125 = Dils. 0,19) with Dils. 0,89 net.

AMSTERDAM DEPOSITARY COMPANY N.V.

niam, 10 January, 1992.

\$1,500,000,000 **Republic National Bank of New York** A Safra Bank 4.50% Notes due January 6, 1993 Merrill Lynch & Co.

NOTICE OF REDEMPTION

Ford Motor Credit Company

12% Notes due February 15, 1995

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of February 15, 1985 (the "Fiscal Agency Agreement") between Ford Motor Credit Company (the "Company"), and The Chese Manhattan Bank (Netional Association) as Fiscal Agent and Peying Agent (the "Fiscal Agent"), ell the above-manifored Notes (the "Notes") will be redeemed on February 18, 1992 (the "Redemption Date") at the price of 100,50% of their principal amount plus interest accrued thereon to the Redemption Date. Payment will be made upon presentation end surrender of the Notes at the below-listed paying agencies together with all appurtenant coupons if any, matung subsequent to the Redemption Oete The amount of any missing unmatured coupons will be daducted from the sum otherwise due for payment, interest on the Notes ehall cease to accrue from and after the Redamption Date. The Company has elected to redeem the Notes to be redeamed and all conditions precedent to such redemption set borh in Paregraph 5(e) of the Definitive Notes have occurred. (Paragraph 5(e) of the Notes provides in relevant part that the company may, at its option, redeem the Notes on or after February 15, 1982, upon such notices as have bean provided for under the tarms of the Fiscal Agency Agreemant and the Notes). On and after the Redemption Date, the sole right of the holders of the Notes shall be to receive payment at the redemption price finctuding payment for a missing coupon in respect of which a deduction shell have been made from the redemption Date, the sole right of the diverted interest to the Redemption Date.

Payment will be made at any of the following paying agencies listed below.

The Chase Manhattan Bank {National Association] London Branch Woolgate House. Colaman Street London EC2P, 2HO. Englend		Credit Lyonnais Bank Nederland N.V. Coolsingel 63, 3012 AB Rotterdam Netherlands
Credit Lyonnais Belgium N.V. Lange Gasthuisstraat 9 B-2000 Antwarp Belgium	Société Générale 29 Boulevard Haussman Paris, France 75009	Chase Manhattan Bank (Switzarland) 63, Rue du Rhone CH-1204 Geneva Switzerland
Chase Manhattan Bank (Luxembourg) S.A. 5 Rua Piaelis L-2338. Luxembourg-Grund		Berliner Hendels-und Frankfurter Bank 10 Bockenheimer Landstrasse Frankfurt, West Germany

Payment pursuant to the presentation of the Notes for redemption made by transfer to a United States dollar account maintained by the payee with a bank in the United States, may be subject to reporting to the United States Internel Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds (including premium, if applicable) if e payee lents to provide a paying agent with an axecuted IRS Form W-8 in the case on a non-U.S. person or an executed IRS Form W-9 in the case of a U.S. person. Those holders witho are required to provide their accurate Taxpayer Idantification Number and who fail to do so may also be subject to an IRS penalty of U.S. S50. Accordingly, please provide all appropriate certification when presenting the Notes for payment.

FORD MOTOR CREDIT COMPANY By: THE CHASE MANHATTAN BANK (National Association), as Fiscal Agen

Dated: January 13, 1992

Page 12 NASDAQ	INTERNATIONAL HERALD TRIBUNE, TUESDAY, JANUARY 14, 1992	
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ASIA / PACIFIC

Page 13

Tokyo to Treble Japan-Saudi Refining Capacity

By Steven Brull ional Herald Tribune

TOKYO - Japan, shaken by the cutoff of rude oil supplies during the Gulf war and facing a growing shortage of domestic refining sapacity, has agreed to treble the capacity of proposed Japanese-Sandi refineries in Japan, analysts said Monday.

The deal, disclosed Sunday in Riyadh by the minister of international trade and industry, Kozo Watanabe, and the Sandi oil minister, Hisham Nazar, would boost the processing ca-pacity of joint refineries in Japan to 450,000 barrels a day, three times more than the amount agreed upon by the two countries last May. If, as expected, the results of a feasibility study are positive, the refineries could come on stream sometime in mid-decade.

Analysts said the move would significantly strengthen ties between Japan, which is among the world's top oil importers, and Sandi Arabia, which has world's largest proven reserves and has been keen to expand into refining and other downstream markets. "This will draw both

Compiled by Our Staff From Dispatches

C. Aquino has approved the full privatization of the Philippine Na-tional Bank, its president, Edgardo

Espiritu, said on Monday. The commercial bank, already

30 percent owned by private stock-

holders, will offer an additional 21

percent of its equity during the first

quarter of the year in immediate compliance with Mrs. Aquino'a di-

12

MANILA - President Corazon

sides closer together," said Martin Roth, an analyst at Kleinwort Benson Securities.

The deal marks a major expansion of last May's agreement to build a refinery in Saudi Arabia with capacity of 300,000 barrels a day and one in Japan half that size. The refineries will be a joint venture between Saudi Arabia's state-run oil company, Saudi Arabian Oil Co., and three Japanese companies - Nippon Oil Co., Nippon Mining Co. and Arabian Oil Co., in which Saudi Arabia and Kuwait each hold 10.1 percent

For Tokyo, which imports virtually all of its petroleum, the deal will help scarre a stable supply of crude oil from Saudi Arabia, the source of 18 percent of its imports in 1990. It will also provide a badly needed boost of more than 10 percent in Japanese refining capacity.

Extra capacity, along with the introduction of new technology, should in tarn step up competition and restructuring in the overcrowded and unprofitable sector. The trade and industry ministry, believing a surfeit of refiners has prevented development of economies of scale, has been urging companies to merge.

MITI would prefer to have one company with a dominant share of 25 to 30 percent to serve as a price and technology leader. Nippon Oil, Japan's leading refiner, now has less than a 20 percent share, with the next four companies each holding less than 15 percent. Analysis said the agreement will effectively unite Nippon Oil and Nippon Mining, itself a major refiner.

For Riyadh, the new refineries in Japan and at home would further the nation's goal of reducing its reliance on crude-oil exports by expanding into downstream markets such as refining. Riyadh also won offers from the MITI minister to make available data from a Japa-nese Earth-observation satellite due to be launched next month that could assist in the discovery of oil reserves. In addition, Tokyc agreed to provide about 4 billion yen (\$31.7 million) to help Riyadh boost the rate of recov-ery at the Khafji oil field by between 5 and 10

percent, a MITI official, Kazno Koshi, said. Mr. Watanabe, who also extended an invitation from Prime Minister Klichi Miyzawa for King Fahd to come to Tokyo, is also visiting Kuwait and the United Arab Emirates.

Taiwan to Rescind Ban On Exports of Gold

The Monetary Affairs Bureau TAIPEI - Taiwan is to lift its said Sunday that the cabinet had 43-year ban on gold exports, and officials and builton dealers said agreed in principle to remove the ban, paving the way for free trading in gold for the first since the Chi Monday that the move would turn nese Nationalist government the island into one of Asia's major moved to Taiwan in 1949.

"The lifting of the gold export ban is in line with government efforts to liberalize our market," said General Chen Mu-tsai, the bureau Japan to Submit **Bills Overhauling** director.

He said local banks would be allowed to trade gold and bullion certificates. Gold exports could start within the next two months, after the cabinet finalizes its plans, be said.

Bullion dealers said Taiwan's gold market would be more active after the export liberalization. Taiwan now permits jewelry shops, precious-metals companies and some government agencies to import gold.

Taiwan was the world's largest gold importer in 1988, buying 354.7 metric tons of gold bars and coins. Imports fell to 160.22 tons in 1989 and to 103.7 tons in 1990, before rising again to 111 tons in 1991. Bullion dealers said the export liberalization could boost Taiwan's gold imports this year to between 160 tons and 200 tons.

"The liberalization will help Taiwan move one step further toward becoming a regional financial cen-ter," said David Kao, assistant vice president of Union Bank of Switzerland.

Investo	or's Asia			
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Exchange	Index	Monday Close	Prev.	% Change
Hong Kong	Hang Seng	4,325.91	4,348.92	0.53
Singapore	Straits Times	1,483.26	1.488.07	-0.32
Sydney	All Ordinanies	1,660.40	1;688.00	-0.46
Tokyo	Niikkei 225	21,696.86	22,381.90	-3.06
Kuala Lumpur	Composite	548.69	551.90	-0.58
Bangkok	SET	727.85	727.63	+0.03
Seoul	Composite Stock	609.90	617.92	1.30
Taipel	Weighted Price	4,904.43	4,856.82	+0.98
Manila	Composite	1,224.34	1,219.83	+0,37
Jakarta	Stock Index	252.09	250.20	+0.76
New Zealand	NZSE-40	1,493.68	1,518.35	-1.62
Bombey	National Index	928.07	911.55	+1.81

a) Herald Trab

Very briefly:

Sources: Reuters, AF

 Shanghai approved a total of 365 foreign-investment projects in 1991. an increase of 80 percent from the 1990 level, Xinhua news agency said, for a total of \$400 million, up 20 percent from 1990.

" Chase Manhattan Corp. said its operating income in the Asia-Pacific region rose 220 percent in the fourth quarter of 1991 from a year earlier and grew 95 percent over the full year.

 BMW Japan Corp. predicted a 17 percent increase in car sales this year across Japan.

Average yearly memployment in the Philippines rose to a four-year high of 10.58 percent in 1991, up from 8.38 percent the previous year, National Statistics Office figures showed.

• South Korea approved a record \$1.395 billion of foreign investment inflows in 1991, up 74 percent from \$803 million in 1990. Renters, AFP

Seoul to Host 6-Nation Project Talks

SEOUL - South Korea is to hold working-level talks sext month on an ambitious six-nation project to develop a special economic zone in the Tumen River region of North Korea, officials said Monday. Delegates from North and South Korea, China, Russia, Mongolia and

Japan will attend the meeting, from Feb. 26 to March 2. At a meeting in Pyongyang in October, they agreed to form a management committee. The project, sponsored by the United Nations Development Program, would create a "golden zone" linking Russian, Chinese and North Korean territory adjoining the river estuary.

ADVERTISEMENT **INTERNATIONAL FUNDS** ATER DPTIMUM ABACUS FUS 10.96 4.81 11.09 1115.47 979,35 8A.14 176.34 0.5608 177.50 242.75 70.568 800.21 4331.02 43.39 70.568 84.39 70.57 70.586 80.21 43.39 70.57 70.586 84.39 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.57 70.586 70.586 70.57 70.57 70.586 70.570 258.45 2357.00 2353.76 1190.53 12327.57 Jan. 13. BEF/LUF b Abocus Guart Fd. Mar 94 5 5.89 Abocus Guart Fd. July 95 3 9.37 MAC INVESTMENT & SERVICES CO (EC.) MABC Futures Fund Ltd. 3 1975 Abn AMRO BANK, PJ. Box 648 A Instandem W ABN AMRO BANK, PJ. Box 648 A Instandem W ABN AMRO Andibiotionds Ff Abocus Fund Ltd _____ Abocus Guart.Fd, Mar 94 Abocus Guart.Fd, July 95 d with the exception of su d by fu s based on issue price. COV 1.56 Fund Ecu 2.00 Grav India Bond Science 1.57 Sicar India Bond Science 1.55 Sicar Starting Bond Science 1.55 Sicar Starting Bond Science 1.55 Sicar Starting Bond Science 1.55 Sicar Science 1 INTER STRATEGIE S Short-T. Bond DM A ____DM S Short-T. Bond DM B ____DM S Short-T. Bond DM B ____DM S Money Anartar Fd S ____S Money Anartar Fd S ____I S Money Anartar Fd S ____S Money Anartar Fd S ____CS Money Anartar Fd S ____CS Money Anartar Fd En ___CS S Money Anartar Fd Ff __SF S Money Anartar Fd Ff ___FT S Money Anartar Fd Ff ____FT S Octo-Prote A _____DM S North American Fd Afbs S UK Fund AB 95.63 127.300 1466.841 1472.97 2000.013 134996.050 1147.866 1147.866 1147.866 1021.876 1021.876 5112.161 247.976 5112.161 247.957 95.540 1010.476 1100.00 1100.22 552.56 1114.17 159.00 1005.24 1015.87 1005.87 1005.77 1055.77 1055.77 1055.77 1055.77 1055.77 2009.15 2009.15 5772.89 1047.77 2009.15 5772.89 1041.67 5772.89 1041.67 5772.89 1041.67 5772.89 1041.67 5772.89 1041.67 572.89 1041.67 572.89 1041.67 572.89 1041.67 572.89 1041.67 572.89 1041.67 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1041.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 572.89 1051.57 577.57 577.59 1051.57 577.59 577.59 1051.57 577.59 577 ch. Hidg Ind'i Modison. ch. Hidg Ind'i Ser D ch. Hidg Ind'i Ser F ch. Hidg USS 1151.02 1333.61 1345.28 14.75 14.75 162.21 455.37 109.28 115.44 10,43 75-67.75 984.15 1728.48 895.48 123787.00 . 1271.58 900.56 w GAM France Inc. w GAM Global Fond ... w GAM High Yield Inc. w GAM Hong Kong Inc. w GAM International Inc. W Winch w Winch w Winch Winch Winch DPTIM 4 Front Cu Lt ulti. Gvbd 263.03 00) 14.67 11.37 9.00 677.83 130.61 100.13 100.47 100.29 100.33 10014.80 120.57 120.54 100.75 105.30 9.6.57 125.11 583.62 9 141.65 101.58 101.58 101.58 101.58 101.58 du in Global Force Cash DM Sicav Force Cash Ecu Sicav DC RIS DEATE INTERNAT 1490 34.22 14.24 14.24 14.25 1 113,99 186,03 7,83 145,54 231,81 1261,77 1391,35 1391,35 1479,71 1608,53 1294,46 123,63 W Medican Investments LIPPO INVESTMENTS SANK PLC, POB 43 LIBYDS BANK PLC, POB 43 Deats 41-22 30/200/ingvir, 41-2 on • 5 M 30.5011 107.3859 107.3859 103.1498 9.55 103.0 104.4618 104.4618 104.1585 104.0678 104.1385 Eq. Trust _____1 Non - S Bond Slobal Equity Slobal Band Global Band Pruc. Mets / Min, Sec Dockie: Sautise Par US Treas. Bo ssive Fd Lid_s North Americo UK Fund A/B Japan Fund South East Asia Fd. Life Fund Euro-Optimizer Par d CS Fromos Fund A/B____FP CSFB FUND MGMT Ltd (M81-71396) PB122, St Peter Port, Guernary W Islamic Mgmt Fund Ltd___S DIT INVESTMENT FFM W Lloyds W Lloyds W Lloyds s Int'l Collor + s Int'l Collor + s Int'l Crowth + s Int'l Income + s Int'l N. America s Int'l Pacific + M FUTURES FUI chemork Class -... 112,20 183,20 263,40 261,50 209,85 156,70 Mat Ltd. 947.06 d Green Line France.... m Guaranteed Capital In MAF - US - Dollar SBC MAAF - Ye SBC Str Bond A SBC Str Bond B A Concentra - DA 71,34 d Intil Registrica - DA 71,34 End TR TS CO. (Jersary) Ltd 1-3 Sale St, St Heller ; 0334-3331 EBC AMRO TRADED CURRENCY FUND Constal Constal S 24441 13,555 14,555 14,555 14,555 15,5 SE CENTRALE DES & POP. 701434 198135 708240 443456 1138,57 Com AG 1624 4.73 7.65 138.11 433.78 -121.77

pesos (\$185.2 million). Philippine National Bank also said Monday that it had posted a record performance in 1991 with Antippine National Bank also said Monday that it had posted a record performance in 1991 with Antippine National Bank also said Monday that it had posted a record performance in 1991 with the currency up to a close of 74.25 cents, from a low of rective, Mr. Espiritu said. That comes to 16.9 million shares. (Reuters, AFP, UPI) 73.52 cents on Friday.

billion pesos.

net profit rising 21 percent to 4.02

are due to its being the govern-ment'a official depository bank.

Mr. Espiritn said foreigners

would be allowed to own 40 per-

cent of the stock when the privati-

Philippine National Bank earlier

Critics say the bank's big profits

CITIC: Beijing Firm to Join Ranks of 'Hongs' via Hang Chong Takeover TELECOM: A Boost for Trade

Corp. will be lead underwriter, but cent of the stock when the Mr. Espiritu said the sale was ex-

(Continued from first finance page) privately held companies, Hang Chong Investment was a perfect target. The diversified trading company controls one-third of Hong Kong's car dealerships and has vast trading and property holdings in Asia and North America. Total sales in 1990 were \$1.3 billion.

But CITIC Pacific did not have the connections or capital to make the acquisition alone. Instead, it formed a consortium with wealthy partners, raising its 36 percent stake through a \$257 million rights offering.

Now that CTTIC Pacific has an-nonneed its intention to acquire the remainder of Hang Chong, ana-stock to the Hang Chong investors at Ong & Co. (H.K.) Already, friction has been relysts are wondering how it will fi- in lieu of cash. nance the deal.

Philippines to Sell Further Stake in Bank

He said just over half of the 21 percent would be sold on the local

stock market, and the remainder on the international market, through a

facility called the Global Deposi-

tory Receipt. No price has been set for the offer, for which First Boston

pected to bring in at least 5 billion

One analyst said the consortium had purchased Hang Chong at a 16 percent discount to its net asset value and that many of the company's assets had since appreciated.

profits. Since several of the Hang Chong investors, including Mr. Li and Mr. Knok, also hold minority shares in CITIC Pacific, the analyst predict-ed that CITIC Pacific would try to ic is how well they can manage this

U.S. cents level.

Already, friction has been reported between the CITIC Pacific But Mr. Chan pointed out that chairman, Larry Yung, the son of CITIC's influential Beijing chairwith Hang Chong's assets and healthy cash flow, even a large payout financed from borrowings could be sustained provided CITIC man, Rong Yiren, and Francis Yuen, the former chief executive of the Hong Kong Stock Exchange, who was hand-picked by the con-sortium to run Hang Chong. Pacific maintained the company's If Mr. Yuen resigns, as market rumors predict, Mr. Yung's first And that, according to analysts,

management challenge will be choosing a successor.

(Continued from first finance page) population of only 3 million -

remains vulnerable to any prolonged downtern of major industrial economies and securities markets.

In a New Year message, Goh Chok Tong, the prime minister, said that gross domestic product grew by 6.5 percent in 1991. He added that Singapore's growth in 1002 were likely to be less but that if

1992 was likely to be less, but that if the economies of the industrial nations did not slow further, it should be at least 5 percent.

cut their official lending rates by 0.75 of a percentage point to 6.5 percent, following a quarter-point reduction in September. Many bankers and economists expect another lowering in the next few months as further evidence

They say that this will help create conditions for a significant liquidity-driven rally on the stock exchange, at least in the short term, as investors move out of fixed-income securities into stocks and property.

In December, Singapore banks

emerges of slower growth.

to each other's turf through subsidiaries, probably in 1993, the officials said. The revision of the Merger and Conversion Law will enable Japan's four specialized banks to reshape themselves as commercial banks, the officials said. It will also enable the four to merge with other banks.

TOKYO --- Officials of the Min-istry of Finance said Monday that it was planning to submit sweeping financial reform legislation to parliament sext month. Australian Dollar Makes a Comeback Reuters SYDNEY — The Austra-lian dollar bounced back

regular session of the Diet. Based on proposals adopted by the ministry in June, banks and securities houses will be allowed on Monday from its phinge to near three-year lows last week and ended above the key 74

Dealers said a combination of buying by offshore and local investors and the Reserve Bank of Australia had pushed

Reuter

gold-trading centers.

Finance Rules

Renters

The ministry will propose revi-sions to Japan'a Securities and Exchange Law, Banking Law and Merger and Conversion Law, among others, based on proposals made last year, they said. The bills will be submitted next month to the

SPORTS

Sampras Pulls Out **Of Australian Open As Most Seeds Win**

The Associated Press Seles, the defending women's jury on Monday to inflict a painful exit on Akiko Kijimuta of Japan in the Australian Open.

Pete Samoras, seeded sixth in the men's draw, was not as lucky. A sore shoulder forced him to withdraw from the Grand Slam event for the second straight year without playing a point. Seles, in her first tournament

since November, rebounded from a first-game service break and barely broke a sweat in cruising past Kijimuta, 6-2, 6-0, in 48 minutes.

Kijimuta wilted under the pressure and failed to hold any of her seven service games in the firstround match. Seles, the top-seeded woman, has

Cubs' Manager Set For Clinics in Europe

al Herald Tribu WASHINGTON - Jim Lefebvre, the manager of the Chicago Cubs, will be conducting elinics for coaches and umpires in Europe at the end of this month.

He is to arrive in the Netherlands on Jan. 23 and conduct two days of clinics in Amsterdam for about 300 coaches from western Europe. His next stop will be Prague, where he will hold clinics Jan. 27-29 for about 200 coaches from eastern Europe, His final stop will be Rome, Jan. 31-Feb. 2, for a clinic expected to draw about 250 coaches from Italy and

southern Europe. Lefebvre will be traveling under the auspices of Major League Baseball and its affiliate, Major League Baseball Internatiooal Partners, which hopes to use this and similar events to increase the worldwide popularity of the sport, a spokesman said

While in the Netherlands, Lefebvre is to present memorabilia to the Royal Dutch Baseball Hall of Fame.

been slowed by a neck strain since MELBOURNE - Monica arriving in Australia a week ago. "I'm not feeling that comfortchampion, shrugged off a neck in- able with the service because 1 didn't hit that many this week," she said. "I just wanted to get over the match

But the two-month layoff did help Seles's attitode. "I feel fresh," she said.

Boris Becker, wary of the strength-sapping heat of summer in Australia, downed Jan Gunnarsson of Sweden with 25 aces in his firstround match.

While Becker smoldered on the court in temperatures of 32 degrees centigrade (90 Fahrenheit), one of his chief rivals, Sampras, was left on the sidelines again. The reigning ATP champion and 1990 U.S. Open winner departed with an inflamed shoulder tendon that he aggravated last week in a tune-up event in Adelaide.

A year ago, shin splints forced Sampras to withdrew from the Australian Open two days before it

The second-seeded Beeker knocked off Gunnarsson, 6-1, 6-4, 6-2, and seemed surprised when told he had 25 aces.

"That's good oews," Becker said with a smile. "That's quite a lot, even for me. 1 couldn't have asked for a better match." Top-seeded Stefan Edberg, aplast 10 games of the match.

pearing in a major tournament for the first time after a two-month layoff to recuperate from injuries, was oervous before his match. But know what to expect." he quickly picked up steam in ripping his doubles partner, Jeremy Bates of Britain, 6-4, 6-2, 6-4.

"I didn't feel good to start with," Edberg said. "It took me a couple of games to get into it." The first day of the two-week

4-6, 6-3, 6-3, 6-3.

reached the semifinals a year ago.

Grand Slam event also marked the Australian pro debut of 15-yearold Jennifer Capriati, who delighted an eothusiastic center-court crowd with a display of strength in ousting Natalia Medvedeva of Ukraine, 6-2, 6-0.

256 Lars Wahlgren of Sweden, 1-6, 6-2, 6-1, 3-6, 6-2. Last year, Wahl-gren ousted the 15th-seeded player, Capriati, seeded fifth, who was cheered on every point that she won, spent nearly as much time signing autographs after the match set match. as the 44 minutes she needed to dispatch her overwhelmed oppo-



Top seeded Stefan Edberg served up a ball for spectators after beating his doubles partner, Jeremy Bates of Britain, 6-4, 6-2, 6-4.

Armed with a devastating serve Australia, 6-4, 6-2, 6-2, in the openof 160 kilometers per hour (100 ing match on the 15,000-seat center miles per hour) that got her out of the only two jams she faced, Ca-COURT.

The easy victories were not the only thing Edberg and Becker have in common: Neither had much of a priati hit seven aces and ran off the "I thought the crowd was cool," Christmas, Becker was on a plane flying to Australia to prepare for this tournament, while Edberg was Capriati said. "They were into it. The atmosphere was great. I didn't

on a court for the first time since Jeff Tarango, an American, came suffering tendinitis in his knee, up with a first-round upset, rallying then injuring his wrist. back from two sets down to oust But they differed oo the oeed to the ninth-seeded Petr Korda, 4-6, be No. I. in the world. Becker leaped to the head of the rankings His oext match pairs him against after winning this event last year. a fellow Stanford alumnus, Patrick But Edberg quickly regained the McEnroe, who beat Massimo Cierro of Italy, 6-3, 6-4, 6-4. McEnroe

honor. "I was trying for that number for seven years, and once I reached Another American, Brad Gilthat, it has changed." Becker said. bert, ranked 20th, was another ear-"Tennis is much more fun than it ly casualty, losing in five sets to No. has been for a long time. I don't have that hurden on my back."

Edberg said he felt the pressure to stay No. 1, but added that it was Marc Rosset, in his only other fivea good feeling that motivated him. Ivan Lendi, a two-time Austra-"I'd like to stay there," he said. lian Open champion who is seeded "That's still my major goal, stay fifth, beat Richard Fromberg of No. 1 at the end of the year."

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		A 1	n 1.11	I Chan Jimore	IDTon 95
	Maio	or Colle	ge Basketbal	l Standings	The AP Top 25
ļ	•				With first-place votes to Participant, re- cords through Jan. 12, bytal pointsbased up.25
	ATLANTIC CO	CAST CONFERENCE Conference AllGomes	Conference AllGames	Conferinger AliGeines	for a first place volument's realized
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	Virginia North Carolina	2 1 467 4 5 545	Hofstra 0 0 .000 8 4 .571	SE Missouri I 1 .507 6	3. Oklohoma St. The Alar 7
÷	Fiorida SI.	2 2 500 0 4 467	Towson St. 0 1 .000 3 10 .221 Cent. Cont. 0 2 .000 3 13 .185	Austin Pegy Austin 250 3 9 250	4 Onio St. 114 199 19
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Ì	Rhade Island George Wash.	2 0 1,000 9 2 ,518	Memphis St. 1 3 .333 7 4 .636	Arizona I 1 500 10 2 433 Southern Cal 1 1 000 9 8 750	14. North Corolino
	51. Joseph's West Virginia	2 0 1,000 8 4 ,467 2 1 ,667 0 5 ,615	IVY LEAGUE	Oregon St. 1 1 .500 9 6 .400	14. Georgia Tech
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	Georgetown Seton Hall	2 <u>467</u> 9 2 .818 2 2 ,500 9 3 .753	5L Peter's 2 0 1,000 5 5 ,000	SOUTHEASTERN CONFERENCE	Rochester 45, Chicago 45 51. Jaseph's 82, St. Bonaveniure 75
	Providence Boston College	0 3 000 8 7 533 0 4 000 8 5 615	Sieng 3 1 750 10 5 467 La Salle 2 1 467 5 5 500	East	Westhrook 100, VOSCH
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	BIG SKT	CONFERENCE Conference AllGames	South Florida 0 0 .000 8 7 .417 South Florida 0 1 .000 10 8 .349	Musissippi 0 1 .000 7 5 .503	Bowdein 49, Grinneli 52 Wendy's Classics
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	Nevada Montana St.	3 1 .730 7 4 .530	Conference AliGames W L Pct. W L Pct.	W L Pct. W L Pct.	Third Place
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BOOKS

Page 14

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CHESS

By Robert Byrne

WHEN you have first prize in the bag before the last round begins, you are paired with a rival of renown and you have the white pieces, you might be exabout 20 moves and then perform the perfunctory handshake that halts hostilities. But that is not the way the 14th-round game between the world champion, Gary Kasparov and his perpetual challenger, Soviet countryman Anatoly Karpov, went in the Interpolis International Tournament in Tilburg, the Nethcriands, on Nov. 4.

Kasparov has wanted for some time now to prove that his superiority over Karpov is greater than the minimal margins by which he has concluded their five title matches. That this was the 159th confrontation between the two (including both match and tournament play) did nothing to put Kasparov in a mellow mood. The game took 4 hours and 9 minutes. The overall score between the two now stands at 811/2 for Kasparov and 77% for Karpov.

When Kasparov surprised everyone by resorting to the antiquated Scotch Open-ing in Games 14 and 16 of their last title match in New York and Lyon, France, almost a year ago, he was starting a trend. He is arguing that seizing space in the center so early with 3 d4 ed 4 Nd4 does not facilitate Black's development and cause a quick burn-out. Just as in his two previous Scotches with

Karpov, Kasparov chose a variation with 5 Nc6 bc 6 c5 that had been considered too chaotic for top-level play. Received opinion was that this advance of the c pawn was premature and that, after the duel of queens with 6. Qe7 7 Qe2, the white one was the more awkwardly placed.

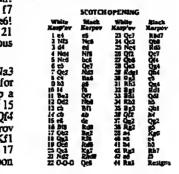
In Game 14 of their last match, Karpov played 9 ... O-O-O and drew a stirring battle after Kasparov had daringly sacrificed hise pawn with 10 g3 Re8 11 Bh2 f6 12 Bg2 fc 13 O-O. But oow the former world champion must either have been afraid that Kasparov had a deadly improvement in reserve or else had actually found one for White in his home analysis because he diverged with 9 ... go.

Instead, his 11...Qf7 12 Qd2 Nb6 was struck by Kasparov's 13c5! Bf1 14 ch! Now 14...Ba3 15 h7! Rb8 16 Na3 Bh5 17 Nb5 cb 18 O-O-O fe (on 18...Rb7?, 19e6! is crushing) 19 fe O-O 20 Rhe1 Rb7 21 Qd7 c5 22 Qd6 gives White a dangerous assed e pawn.

Moreover, 14...Ba6 15 bc Ba3 16 Na3 O-O 17 O-O-O is clearly superior for O-D 17 O-O-O 18 clearly superior 10r White. Accordingly, Karpov gave up a piece with 14...ab, perhaps hoping for 15 Bf8 Bg2 16 Qg2 Rf8 17 Nd2 fe 18 fe Qf4 with strong counterplay. But Kasparov interpolated 15 e6! de (15...Qe6 16 Kf1 Ba3 17 Na3 Ra3? 18 Re1) 16 Bf8 Rd8 17 Qb2 Bg2 18 Qg2 Kf8 19 Qc6, which soon 3 8 8 8 Position after 12.. Nb6

enabled him to achieve king safety with 22 0-0-0. Karpov kept struggling in a lost cause,

hut after 44 Ra3, there was nothing more to do; for example, 44....IA 45 a7 Ra7 46 Ra7 g4 47 b5 g3 48 hg tg 49 Ne3 Kg5 50 b6 KI4 51 b7 Ke3 52 b8/Q KI2 53 Rf7 Kg2 54 Rg7. Karpov gave up.



By Tatyana Tolstaya. 192 pages. \$19. Alfred A. Knopf Inc., 201 East 50th Street, New York, N.Y. 10022. Reviewed by Michiko Kakutani

F OR Tatyana Tolstava's characters, everything about daily life in the former Soviet Union seems "shopworn, squalid. fifth-rate, with cavities and defects, abscesses and flaws."

Good apartments, good jobs, good food - and as far as the women are concerned, even good men --- are hard to find. Faced with little prospect of better-ing their real lives, they indulge in wistful daydreams about the long-lost past and rhapsodic fantasies about an impossible future.

As one narrator says to a friend named Jody: "Look around, listen carefully, or even open a book. Everyone's running running away from himself or in search of himself: Odysseus runs endlessly spinning and marking time in the small bowl of the Mediterranean Sea; the three sisters are running to Moscow, motion-lessly and eternally, like in a nightmare, moving their six legs, running in place; Doctor Doolittle who, rather like you, got lost in dreams of sick, overseas animals, is also running - 'and Doctor Doolittle ran all that day, and only one word would he say: Limpopo, Limpopo, Limpopo? Moscow, Limpopo, the town of R., or the island of fthaca - isn't it all the same?

In the title story, "Sleepwalker in a Fog," a Quixote-like hero named Denisov stays up all night fantasizing about doing something memorable: He hopes to secure his place in history by leading "some small, pure movement." Unfortunately, his modest decision to try to rehabilitate the memory of a lost, forgotten bero ("extricate this perished youth from nonbeing, save him from oblivion"). quickly devolves into a comic pratiall: Members of the dead man's family persuade Denisov he can best pay tribute 10 their son by helping them to obtain an expensive (and hard to find) cabinet for their china.

As its predecessor (a luminous collec-tion of tales called "On the Golden Porch") so defuly demonstrated, this volume shows that Tolstaya is less an heir to her great-granduncie, Leo Tolstoy, than a distinguished descendant of Chekhov. Like the author of "The Cherry Orchard" and "The Three Sisters," Tolstaya is interested in the ways in which time weaves its changes into ordinary people's lives, turning their hopes and expectations into loss and disappoint-

ment and regret. Several of the longer tales in this vol-ume attempt a musical orchestration of assorted characters' dilemmas, and they feel a bit unfocused: here, the expressionistic tendencies of Tolstaya's writing result in a discursiveness that dissipates the power of her story.

Indeed, the strongest tales in "Sleep-walker in a Fog" are individual portraits that leave the reader with a palpable sense of the small moments of laughter and sorrow, expectancy and dejection that stand out in "the din of passing life."

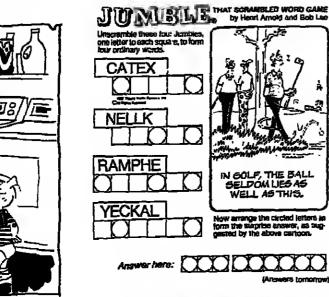
Michiko Kakutani is on the staff of The



DOONESBURY B.D.! IF YOU HAVE TO GESS, THEN FORSET IT! JUST UM_I DUNNO. LIKE MHAT ? LIKE I LOVE OKAY, OKAY, B.D., OVER THE LAST FOW DO YOU HAVE ANYTHING TO SAY TO ME YET? DO YOU HAVE ANYTHING AT ALL YOU'VE MONTHS, WE'VE BEEN VERY CAREFULLY PUTTING OUR PELATIONSHIP BACK I LOVE YOU. NEVER MIND. SCHE THING X FORSET THE HEL, WHAT ESE COULD IT BE? AHOLE THING 6 ٥Ì

DENNIS THE MENACE





JUSTICIAS TAWNY CLUCK MEADOW ORCHID Answer: A shob only waters to know people who don't water this-TO KNOW HIM

4:0

AS KINDA LIKE AN OATMEAL COOKIE, BUT I SEEN RAISING WIGGLE LIKE THAT."

SPORTS

By Mike Freeman ashington Post Service

Washington Part Service ORCHARD PARK, New York - The American Conference harmionship didn't come down to championship didn't come down to high-tech offenses and million-dol- what to expect last year. There isn't lar quarterbacks. It came down to blood-and-sweat defense and a tipped pass, returned for a touchdown, that changed the destiny of the Buffalo Bills, who escaped the Denver Broncos, 10-7, before 80_272 in Rich Stadium.

The game's momentum, in Denver's favor most of the afternoon, was turned around when quarterback John Elway's pass was tipped by nose tackle Jeff Wright into the hands of inside linebacker Carlton Bailey, who ran 11 yards for the touchdown and a 7-0 Buffalo lead.

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The victory put the Bills in their second consecutive Super Bowl, again against the NFC East champion. Last year it was the New York Giants outdoors in Tampa, Florida; this time it will be against the Washington Redskins in the heated confines of the Metrodome in Minneapolis.

Many had predicted that the Bills and Redskins would make it to Super Bowi XXVI on Jan. 26. Like last year's this Soper Bowl will feature contrasting coaching philos-ophies: The Bills feature a trendy no-huddle offense, while the Red-skins like to run and control the - but Washington also can clock score with anyone in the league. The Bills said they didn't care

Bianchi Wins Slalom, Accola Leads Overall

The Associated Press GARMISCH-PARTENKIR-CHEN, Germany - Patrice Bian-chi of France got his first World Cup victory by winning a slatom Monday as Paul Accola of Switzerland took the overall lead from Alberto Tomba of Italy. Bianchi, a second-group starter,

was second after the first run and won the race when Thomas Stan-gassinger of Austria missed a gate just before the finish. Stangassinger, who had a 0.09-second lead over Bianchi after the

first run, climbed back to the course and finished the race, but was not among the top 10. Tomba finished in third place.

Accola was eighth and won the combined with his ninth-place fin-ish in Saturday's downhill. . The combined victory gave him-100 points. Eighth place in the slalom carned him another 40 and by 1 N N N collecting 257 points for three days

of racing, Accola accumulated a total of 932 to take the overall lead. Marc Girardelli of Luxembourg, third in the overall standings,

whom they played --- they were just glad to be in the National Football

as much pressure on us this time." And it showed, as the Bills were excited about returning to the Su-per Bowl but not as frantic as they were last year when they went for the first time in team history.

"This trip to the Super Bowl feels a little more special," said quarter-back Jim Kelly, adding that it. wasn't like last year's AFC title game, when the Bills beat the Raid-We had to work our way there

this time," he said. It was hard work. Players from the Broncos and Bills said they didn't expect such a low-scoring game. In fact, it was scoreless at the half, the first time that's happened in an AFC title game since 1983 when Mianni played the New York Jets. The last time it happened in the NFC title game was in 1979, with the Los Angeles Rams playing

Tampa Bay, Buffalo averaged 44 points a game in its last three home playoff games, but this time its defense outscored the offense The Bills' only points via offense on Sunday came when kicker Scott

Norwood made a 44-yard field goal with 4:23 left. Both offenses were drained after the game. Elway had to cut short a news conference because he was "feeling a little light-headed." Team officials said he was in pain

from a thigh injury. In the first half Buffalo crossed the 50-yard line only once, its deep-est penetration being to Denver's, 44. In the first half the Bills had three first downs to the Broncos nine, 58 yards to the Broncos' 123. Running back Thurman Thomas had only 39 yards, while Kelly had one interception and just four pass completions for 28 yards.

"Everybody always says when the offense doesn't move, "What was your problem?" said Kelly, who finished 13-of-25 for 117 yards and two interceptions, far below his averages.

"There wasn't any problem. It's just that they played one hell of a

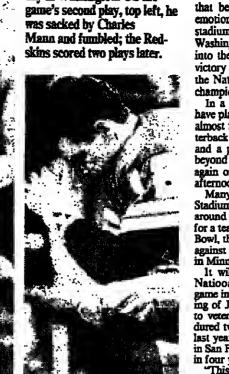
defense. They came at ns." The biggest play of the game was Bailey's interception return. He and fellow inchecker Shane Conlan usually alternate on blitzing. On the decisive play, Conlan was supposed to rush Elway but instead told Bailey to go. When Elway dropped back to pass, Wright recognized immediately that it was a middle screen and instead of being sucked in, dropped back into coverage. The ball hit the tips of his hands

and went straight into the arms of Bailey, who simply ran through El-WAY "I should have made the tackle,"

said Elway.



They Got There Quietly, But Bills Are Delighted To Vie for Title Again But Contract and the Again State Again Stat





And that was only the first of the bad bounces: Kramer was sacked another three times, and Mann was soon back to knock down a pass as well as the quarterback.

The Statistics

Detroit	1 10 1 0-10
Washington	18 7 19 14-41
First Q	
Wes-Riges 2 run 11	
Was-FG Lobmiller	
Second	
Det-Green 18 post fo	
kick1, 2:25	
Was-Riggs 3 run (L	ohmiller kickt, 7:14
Det-FG Murray 30,	
Third C	
Was-FG Lohmitier	
Was-Clark 45 pass	from Rypien Loh-
miller kick), 12:37,	
Fourth	Suarter
Was-Monk 21 pass	from Rypless Loh-
miller kick), 4:15,	
Was-Green 32 Intern	metion return (Loh-
miller kick), 4:49,	
	Det Was
First downs	20 17
Rushes-yords	18-72 35-117
Possing	232 226
Return vords	13 83
Comp-ott-int	25-42-2 12-17-0
Socked-yards last	5-32 0-0
Punts	3-47 3-36
Fumbles-lost	3-1 0-0
Penalties-yords	7-46 4-46
Time of possession	31:24 28:36
INDIVIDUAL	
RUSHING-Detroit, B	
2-25 Krumer 4-4 Long 1	(minus I), Washing

stadium rocked to its bones, the Washington Redskins swept back into the Super Bowl with a 41-10 victory over the Detroit Lions in

the National Football Conference championship game. In a season when the Redskins have played in championship form almost from the start --- the quarterback Mark Rypien maturing and a patchwork defense playing beyond probability — they did so again on a cool, pleasant Sunday ternoon.

Many among the 55,585 in RFK Stadium knew that, and stayed around for a final standing ovation for a team headed to its fifth Super Bowl, this one pitting the Redskins against the Buffalo Bills on Jan. 26

in Minneapolis. It will be Washington's fourth National Football League title game in a decade under the coach-ing of Joe Gibbs; more important to veterans and coaches who endured two nonplayoff seasons and last year's second-round knockout in San Francisco, it will be the first in four years. This one is the sweetest by far,"

said Monte Coleman, an linebacker for the Redskins for 13 years. "It doesn't compare to anything else in the world. I don't know if I'll have a chance to do this again." The sideline celebration began with the wide receivers Gary Clark

and Art Monk dumping a bucket of Gatorade onto Gibbs, who had dressed for the occasion in a waterproof warmup jacket and cap. In the locker room, there were

hugs and smiles. There were 18 players returning to the Super Bowl, 29 others about to go to their first. "1 didn't realize what this meant until 1 walked in the locker room and saw some of the veterans crying," said Andre Collins, a sec-ond-year linebacker. "Then 1

Gibbs thanked everyone he said had had a part in the latest success, beginning with the team's owner, Jack Kent Cooke, his coaches and the players and fans.

The emotion of that stadium Gibbs said. "That's why you fight so hard to get the home-field ad-vantage. It's been a great ride for me as a coach this year -I certainly can't take all the credit for this team's success, and yet I get most of the credit. We've been so consistent and so focused all season. We've got a great mix of guys, and that's what makes great team He got another clean, efficient and relentless effort, beginning with defensive end Charles Mann and middle linebacker Kurt Gouveia forcing turnovers in the opening three minutes. The Redskins turned those into a 10-0 lead and points. never looked back. Before the day was over, the defense forced another turnover, had five sacks and five pass deflections and held the run-

second half.

and-shoot Lions to 95 yards in the

. WASHINGTON REDSKINS 24, ATLANTA FALCONS 7. • DETROIT LIONS 38, DAL LAS COWBOYS 6. **Conference Titles** AFC BUFFALO BILLS 10, DEN VER BRONCOS 7. NFC • WASHINGTON REDSKINS 41, DETROIT LIONS 10, Super Bowl XXV

 BLIFFALO BILLS (15-3) vs.
 WASHINGTON REDSKINS (16-2).

In Minneapolis, Jan. 26

Redskins Favored By 6 Over the Bills

The Associated Press

LAS VEGAS - The Washington Redskins are six-point favorites to beat the Buffalo Bills in the Super Bowl, according to the early line set by oddsmakers moments after the Redskins overpowered Detroit to win the NFC championship. The over-under line for the Redskios-Bills game is 51

yard. Erik Kramer completed 21 of 33 passes for 249 yards and a, touchdown, but he was decked six

Page 15

NFL Playoff Picture

AFC

KANSAS CITY CHIEFS 10,

HOUSTON OILERS 17
NEW YORK JETS 10.

NFC

ATLANTA FALCONS 27

NEW ORLEANS SAINTS 20.

DALLAS COWBOYS 17 CHICAGO BEARS 13.

Second-Round Games

AFC

• DENVER BRONCOS 26, HOUSTON OILERS 24.

BUFFALO BILLS 37, KAN-

NFC

SAS CITY CHIEFS 14.

L.A. RAIDERS 6.

ruined his hopes of gaining com- "I couldn't let a quarterback bined points when he fell a few tackle me," Bailey said, "or clse I eates from the finish in the first run and was climinated. "I skied like a beginner," Girar-delli said. "I have no excuse."

SIDELINES

Cruyff Agrees to Coach Dutch Team

hard time."

AMSTERDAM (AP) --- Johan Cruyff, European soccer player of the year in 1971, 1973 and 1974, has agreed to become coach of the Netherlands' national team if it qualifies for the 1994 World Cup, the Royal Dutch Soccer Federation said Monday. Cruyff, now coach of Barcelona in the Spanish first division, told Dutch newspapers that only his salary still had to be worked out. "I wouldn't make too much of that though," he told De Telegraaf of Amsterdam. "I see it as a moral duty to put myself at the disposal of the Dutch team." • The new association formed by eight former Soviet republics was recognized Monday by FIFA and UEFA and designated as the official entry in Friday's draw for the 1992 Enropean Championship finals. (AP) • Robert Prosinecki, the Real Madrid midfield star whose mother is Serbian and father Croatian, said he will not play for Yugoslavia in the

Scrbian and father Croatian, said he will not play for Yugoslavia in the (AFP) European Championship finals.

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Fatima Whithread, 30, the former women's world champion and record holder in the javelin, said Monday in London she was retiring because of recurring injuries to her throwing shoulder. (AP) Steve Elkington birdied the first hole to defeat Brad Faxon in a sudden-

death playoff at the Infiniti Tournament of Champions in Carlsbad, (NYT)

California. (NYT) Bill Amsparger, who coached the New York Giants in the 1970s and LSU in the 1980s, resigned Monday as athletic director at Florida to become defensive coordinator of the San Diego Chargers. (AP) Croatia and Slovenia will not be recognized by the IOC this week, contrary to newspaper reports, the organization said Monday. (Renters) Troy State in Alabama broke its NCAA scoring record with in a 258-141 victory over DeVry Institute; it was the first time an NCAA team passed the 200-point mark.

passed the 200-point mark.

n a S Antaine An



re 4-9-1-15, Long D-0-0-0, V Ware 4-X-1-15, Long 0-0-0, Washington, Ry-pieri 12-17-6-28, RECEIVING—Detroit, Fort 6-72, Perrimon 5-42, Maore 4-89, W.Grisen 4-54, B.Sanders 4-13, Overton 2-10, Washington, Mank 5-94, Clark 4-77, R.Sanders 2-12, Ort 1-45, Washington 2-12, Ort 1-45,

troft, Kramer 21-33-1-249.

on, Byner 17-62, Ervins 13-54, Ripps 2-5, Ry-

3-Imi

BASKETBALL

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WESTERN CONFERENCE

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Central Div

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556 529 515 ,400 ,206

112

4% 10 11 11% 15% 15%

Chicago

NBA Standings

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Chicose Cleveland Detroi1 Atlanta

Indiana Charlotte

San Antonio Houston Denver Dallas

Portland Phoenix LA. Lakers

Seattle L.A. Clippers

Utah

nus 31.

MISSEO FIELD GOALS-Detroit, Murray sten. Lohmiller 51.

on goal: Piltsburgh |on McLean) 4-15-4-21. Vancouver (on Barrassol 12-95-24. N.Y. Islanders 0 1 2-5

tuliadelada 4 0 0-4 Turseon (18), Kina (26) 2; Dinean (15) 2.

Turgeen (18), King (26) 2; Dinem (15) 2; Carianer (2), Toccher (11), Sheis on goal: New York Ion Wreguelt 8-13-29, Philadelphio (on Weeks, Fitzpatrick) 10-8-6-24, N.Y. Ramers 2 1 8--3 Baffale 1 2 3-6 Ogradnick (14), Gartner (25), Kerr (2); Wood (13), Hawarchuk (12), LaFontiaine (10) 2. Atogliny (20), Audethe (18), Sheis on goal: New York Ion Malarchuk 18-11-9-28, Buffala (on Vanbiesbrouck) 13-15-12-40. Las Angeles 1 3-16-28 New Jersey 2 3 6-5 Kurri (16), McSarley (5); Zelopukin (4), Vil-erain 113, Stashw (22), Bacchman (7), Shevens IIII, Sheis on goal: Las Angeles Ion Terrerti (10-17-4-4-1, New Jersey Ion Berth-haume, Hrudey1 6-17-4-27.

Caticage 1 2 1 2 1 2 1 4 (eirotte (10), Khristich (21): Switer (15) 2, Tonelli (1), Gibert (7), Skots en goal: Wash-Ington (en Hassel) 549-18. Chicago (en Beauprej 15-11-7-33. Son Jose 3 8 1-4 Winaines 8 4 1 --3 Mitanes (2) Manues (5) Wilson (6) Ech

SKIING

Men's World Cup

koume, Hrudey1 6-17-4-27. Washington

The Redski acked I time, and then they stuffed the Li-Wilber Marshall, the Redskin ons. An offense that could oot get linebacker, had three sacks and going in the first two periods got a forced a fumble; Mann had a sack pair of long scoring passes from and a deflection, and defensive Rypica, and Darrell Green's 32- tackle Jumpy Geathers blocked a yard interception return for a field goal.

touchdown linished the scoring. So the Redskins rush into the Rypicn was brilliant, completing 12 of 17 passes for 228 yards and two TDs. Clark's 45-yarder made it 27-10 and broke Detroit with 2:23 Super Bowl, seemingly untouched. They opened the season with a 45-0 victory over the Lions, but Sunday's game was supposed to be dif-ferent because Sanders did not play left in the third quarter.

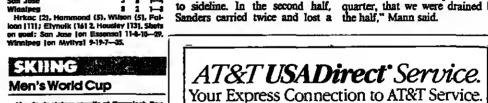
"It was a great throw," Clark in the opener. said. "We tried that play all week in Nevertheless Nevertheless, Washington was a practice and didn't hit it once." 1312-point favorite. And the result Early in the fourth period, Ry-picn audibled to Monk for a 21-yard touchdown. He hit his tight the Super Bowl against the Bills end, Terry Orr, with a 45-yarder to having beaten one playoff opposet up another score. Gerald Riggs nent by 17 points and another by scored Washingtoo's first two 31. touchdowns on short runs, the sec-

him, dived into the end zone.

"They did a great job preparing for us," said the Lions' coach, ond a three-yarder on fourth-andone at the Detroit 3 when he Wayne Fontes. "There's oo douht bounced outside and, with line- they outplayed us."

backer Chris Spielman clinging to The Redskins went to the halftime locker room with a 17-10 lead Barry Sanders, the Detroit run- despite having rushed for 39 yards ning back, was held in check, gain- and having had the ball for just 11 ing 44 yards on 11 carries as the of the 30 minutes.

Redskins chased him from sideline "We were so fired up in the first to sideline. In the second half, quarter, that we were drained by Sanders carried twice and lost a the half," Mann said.



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SCOREBOARD

TENNIS Australian Open

Mea's Singles, First Roand Poolo Cane, Italy, def. Byron Black, Zimba-twe, 64, 64, 64; Lors Koslawski, Germany, def. Jinamy Arias, U.S., 641, 74 (7-2), 60; An-drei Chesnokov, Russki, def. Fraderic Fon-tang, Franca, 63, 74 (7-4), 641; Patrick McEn-tang, Franca, 63, 74 (7-4), 641; Patrick McEn-

not be recognized by the IC ts, the organization said Mond oke its NCAA scoring record fitute; it was the first time an	C this week, ay. (Reaters) with in a 258- NCAA transit Applied to the theorem the theorem theo	Netherlands, det. Jakob Nic-my, 24, , 62, 2-4, 2-4, 6-4, 6-2: Jan Sie-Jaanse ands, det. Jared Poimer, U.S., van Lai -2: Omar Comporten, Halv, 6-4, 6-2; studt, Sweden, 3-4, 6-2, 6-2, 3-4, Tharen,	rmany, del, Mala Zivec-Stutt, Germa- 6-3, 6-1; Tami Whitinger, U.S., del, Pault, Australia, 6-1: 5-7, 6-4; Nosile turn, France, def. Yose Kamia, Japan, Notatia Zvereva, Russia, del, Petro Fintand, 6-4: 6-4: Lella Aleshici (113), 1. def. Angelica Gavoidon, U.S., 6-2, 6-2	Socrumento 16 24 294 17½ SUNDAY'S RESULT Originado 28 28 18 25	Monday's slotom results at Garmisch-Par- tenkirchen, Germany: 1. Patrice Blanchi, France, 1:3721; 2. Huberi Stretz, Austria, 1:37.07; 1. Alberte Tomba, Italy, 1:37.77; 4. Patrick Staub, Switzerland, 1:37.84; 5. Tomos Fogdoa, Sweden, 1:37.90; 4. Ole Christian Fur- usatb, Narvad, 1:37.93; 7. Armin Bitther, Ger- many, 1:38.02; 8. Poul Accola, Switzerland,
INTER	NATIONAL CLAS	SIFIED	ESCORTS & GUIDES		1:38.34; 9. Finn Christian Jospe, Noneov, 1:38.40; 10. Carlo Gerasa, Itoly, 1:39.10, Sietem standings; 1. Temba, 529 points; 2.
(0	ontinued From Page 5)		ESCORT SERVICE	NHL Standings	Josse, 383; 3. Accola, 377; 4. Furuseth, 237; 5. Bittner, 215; 6. Blanchi, 213; 7. Gerosa, 294; 8. Fogdae, 191; 9. Marc Girardelli, Luxembourg.
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Beigium, 6-2, 6-4, 7-5; Aki Rahunen, Finiona, der, Andres Gomez, Ecuador, 6-6, 3-6, 6-4, 6-4, 6-4 ; Alexander Volkov, Russia, del. Todd Wood-bridge, Australia, 6-2, 6-3, 6-1.

Waaren's Sinster, First Roond Lariso Savchenko-Nelland, Latvia, def. Sa-bino Appelmans (16), Belslum, 7-5, 6-2; Jo-anne Llamer, Australia, del. Emanuelso Zarda, Switzerland, 6-3, 6-2; Ronnoe Stubb, Australia, def. Rodito Babkova, Czechoslovakia, 60, 6-1;

ART BUCHWALD

The Flu Conspiracy

del Castro.

history.

selling them to Libya, says that he

has incontrovertible proof that

Bush's illness was concocted by Fi-

It seems that the Mafia had been

hired years ago to put salmonella in Castro's refried black beans at his

birthday party in Havana. Castro

would get even. He planted one of

his bearded Cuban agents, dis-

virus on a rose petal in the presi-

dent's finger bowl - and the rest is

What bothers most revisionists,

hut makes a better movie for Stone,

is that the Japanese have sealed the

recipes for the meno of the evening

until the year 2090. Thomas Dunk-

in, chairman of the Tokyo Flu Bug

Commission, told Ted Koppel, "We've studied the recipes and

there was nothing served that night

to make the president sick." Koppel asked, "Why can't the

WASHINGTON - The Presi-dent Bush revisionists are Brent Paddington, who was fired from the Centers for Disease Connow in the process of writing books trol for stealing dirty test tubes and concerning his flu attack in Tokyo. They reject the White House report that it was medical and could hap-

pen to anybody. Those who specialize in rewriting history insist that it was a con-Spiracy Word from Hollywood is

that Oliver Stone is considering making a film about it called "Մթ-Buchwald chuck.

He will show that the illness was caused by a cabal of the CIA, the military industrial complex and leaders of the American automobile industry.

These are the more popular theories abounding Howard Farber, who re-enacted

the attack in his dining room with a group of sumo wrestlers, says that Bush was not struck down by one virus but by two. There was the one identified by doctors, but there was another bug hiding behind the president's large intestine on a grassy knoll. It was the second virus that actually made the president faint.

Malcolm Nubeam, in his new book "Barff," writes that he has talked to people who believe that the South Koreans served the president a 2-month-old hammerhead shark souffle at his final banquet. With the help of Iraqi agents, the Koreans timed it so that the shark would hit Bush just as he was dining with the Japanese prime minister. The Americans would then blame the Japanese and demand reparations equal to the amount of money the United States has lost from the import of Japanese cars.

In retaliation, the Japanese would refuse to sell their television sets to the United States. In oo time

America would be in the dark. Nubeam maintains that he is being persecuted by the same people who have attacked Oliver Stone for making the movie "JFK."

"When someone gets sick to his stomach and falls off his chair," he said, "no one wants to know the truth.

public see the recipes?" "There is a lot of raw fish gathered by the FBI that cannot be substantiated." Despite master revisionist Sam Diamond's article maintaining that Dan Quayle knew the president was going to get sick and that's why he canceled the last nine holes of his afternoon golf game, there is no proof that the vice president had

any inkling of what was going on with the president's digestive sys-A Quayle spokesperson said, "The vice president didn't even know that the president was out of the country.

No matter what the government says, there will be millions of Americans who believe the twovirus theory.

п The real truth will be debated by conspiracy huffs forever. In the meantime ordinary people will be asking each other on the Jan. 8

anniversary of this event, "Can you remember exactly where you were when President Bush upchucked at the prime minister's dinner in To-



Busy social activity in the Bois de Boulogne in an earlier time - a contemporary lithograph shows the scene during the Second Empire.

Unquiet Nights in the Bois de Boulogne But until the recent trial of a 32-year-old

By Alan Riding New York Times Service

PARIS - Henri de Toulouse-Lautrec's oils captured the raucous friendliness of turn-of-the-century brothels, Emile Zola wrote warmly about a big-hearted prostitute in "Nana." and as recently as the 1950s, life on the sidewalks of Montmartre was set to music in "Irma la Douce." The prostitutes of Paris, it seems, always

had artists on their side. And together, for the best part of a century, they helped shape the city's image as a haven of love, romance and sensuality for inhibited though hardly puritan - northern Europeans in search of carnal thrills and spills. Even now, latter-day cancan girls at the Moulin Rouge and Crazy Horse still evoke the naughtiness of Paris for gray-haired married couples who arrive in tourist buses from Germany and Britain. They could prohably see similar shows at home - but Paris is Paris,

Yet if life here once imitated art, that is witnessed the transformation of the Bois de Boulogne into a seamy sexual bazaar where from dusk to dawn women and men, many of them transvestites, publicly trade in their bodies.

Commuters heading home on roads

on the western rim of Paris drive past lines of people holding their coats open to display their wares. Early morning walkers and joggers must keep their heads down to avoid used condons and syringer-

The phenomenon is already 20 years old but two new French fears - AIDS and immigration - have suddenly defined it as a problem: Not only are the prostitutes of the Bois said to be contributing to France's acute AIDS problem, but most are also South Americans in the country illegally. [French Interior Minister Philippe Marchand has announced that beginning this week part of the Bois de Boulogne would be closed at night, Reuters reported. "Certain roads in the woods will be closed to traffic at night," he said in a radio interview Sunday, I have on my desk a map of the Bois de Boulogue and it is horrifying the oumber of prostitutes, men and women, who are there — more than 500. . . . This can no longer be tolerated."]

The Paris police chief, Pierre Verno longer the view of Parisians who have winessed the transformation of the Bois de out of the park at night as a means of putting the prostitutes out of business. Some Parisians objected because the

roads through the park provide shortcuts home for thousands of motorists and closing them will only add to the traffic jams

through the 850-hectare (2,100-acre) park that throttle the city every evening. Two

restaurants in the Bois also complained. It was also argued that the prostitutes will Argentine transvestite pimp, Luis Cisneros, better known to colleagues as Sandra; merely move to, and degrade, another part the Queen of the Bois, little was known of town. about how the South Americans operate.

Prostitution is not a crime in France, but

os's trial, special "travel agencies" finance the trips of aspiring male and female pros-

titutes and charge 100 percent interest on

their loans in exchange for putting them in

touch with the various networks that rule

Each prostitute, witnesses told the court

before Sandra was jailed for five years

must pay about \$180 a week to a pimp for a

workplace in the Bois. Many prostitutes

use drugs - hashish and heroin - avail-

Fear of AIDS prompted demands to close

the Bois to nocturnal traffic last month after

some French newspapers quoted a report,

able at certain points in the park.

According to evidence heard at Cisner-

pimping is.

the park.

But not if they are zapailed, responded the rightist deputy mayor, Jean Tiben. "Around 85 percent of the prostitutes and transvestites working the Bois are foreign-ers here illegally," he said.

In practice, the saucy French streetwalker is already largely a thing of the past. The police estimate that there are 6,000 to 7,000 prostitutes in Paris today, fewer than ever. Of those, perhaps only half are French, women who often work from apartments. The rest are foreigners, usually from the Third World,

It was probably the arrival of Brazilian transvestites in the 1970s that began trans-forming the Bois. But by the 1980s, they were joined by men as well as women from Colombia, Ecuador, Peru and Argentina. Each nationality oow has its own area in the park.

"The Bois de Boulogne is seen as some-thing sacred," Judge Laurence Le Vert, who has studied the problem, told Le Figaro, the French daily. "Such is its reputation that it exercises extraordinary attrac-40 to 50 clients a day. tion over certain sectors of the South American population who come here to earn easy money."

PEOPLE

U.S. Critics Nominate

25 for Book Awards

"Wartime Lies" by Louis Beeley "Typical American" by Gish Jen "The Gold Bug Variations" by Richard Powers, "Mating" by Norman Rush, and "A Thousand Acres" by Jane Sailey are the five works of fiction nominated for the awards of the National Book Critics Circle. The winner, and those in four other categories - general nonfiction, biographies and autobi-7 ographies, poetry, criticism -- will be announced March 18 in New York. The 25 nominations include books by John Cheever, John Up-

Organizers of Paul Simon's South African tour blamed black -militant threats of violence for low attendance at his first two concerts. both in Johannesburg. About 45,000 people attended on Satur-day, but only 16,000 came on Sunday, leaving most of the 70,000-seat Ellis Park stadium empty, Promoters had expected a total of 120,000 for the two concerts. A small group of radical blacks protested peace-fully at the Saturday concert. Simon is the first international star to perform in South Africa since the lifting of the cultural boycott against apartheid. The promoter Attie van Wyk said the rest of the tour, in three other cities, would go ahead. Most of the people at the weekend concerts were white. Tickets cost up to \$30 in a country where most black workers earn less than \$300 a month. The tour has the backing of leading black groups, but several small, militant organizations protested, saying the cultural boycott should remain until there is a black government.

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. 🗖 Mick Jagger has another daugh-ter. His wife, Jerry Hall, gave birth in London to 7-pound, 13-ounce (3.5-kilogram) Georgia May Ayeesha Jagger. A spokeswoman for the couple said mother and daughter were doing fine. Jagger and Hall have two other children, Eizabeth 7, and James 6, and Jagger also has daughters by his former wife, Bianca Jagger, and a former girl-friend, Marsta Hant.

apposedly prepared by the Medecins di Monde (Doctors of the World) medical aid - **D** group, asserting that 95 percent of the park's transvestites were carriers of the HIV virus The press corps traveling with that causes AIDS and were contaminating. President George Bush gave him an inscribed, antographed sick bag en route home from Japan. The in-Médecins du Monde said the study's scription: "Mr. President, next findings were "totally exaggerated."



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Page 16

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